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Prospectus
Dated: April 18, 2022
Please read section 26 & 32 of the
Companies Act, 2013
100% Fixed Price Issue

FONE4 COMMUNICATIONS (INDIA) LIMITED
CIN: U51506KL2014PLC036625

Registered & Corporate Office	Contact Person	Email and Telephone	Website
1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam Ernakulam 682032, Kerala, India	Ms. Nisha Shaw, Company Secretary & Compliance Officer	Email ID: cs@fone4.in Tel No: +91 8606 777 777.	www.fone4.in

NAMES OF PROMOTERS OF THE COMPANY

MR. SAYYED HAMID, AND MRS. ROUDHA ZERLINA

DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS

Type	Fresh Issue Size	OFS Size	Total Issue Size	Eligibility – 229(1) / 229(2) & Share Reservation amount QIB, NII & RII
Fresh Issue	₹680.00 Lakhs	Nil	₹680.00 Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations, As the Company's post issue Paid-up capital would be more than 10.00 (Ten) Cr. Reservations (equity Shares) Market Maker – 3,40,000, NII – 32,30,000, RII – 32,30,000

OFS: Offer for Sale

Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders:

- NIL -

RISKS IN RELATION TO THE FIRST ISSUE – The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹10/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 54 of this prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 17 of this Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares Issued through this Prospectus 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 “in-principle” approval letter dated April 01, 2022 from **BSE Limited (“BSE”)** for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the **Designated Stock Exchange** will be the **BSE Limited (“BSE”)**.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



FINSHORE

Creating Enterprise Managing Values

FINSHORE MANAGEMENT SERVICES LIMITED
Anandlok Building, Block-A, 2nd Floor, Room No. 207,
227 A.J.C Bose Road, Kolkata-700020, West Bengal, India
Contact Person: Mr. S. Ramakrishna Iyengar
Telephone: 033 – 22895101
Email: ramakrishna@finshoregroup.com



CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building", #1, Club House Road,
Chennai - 600 002, India
Contact Person: Mr. R.D. Ramasamy, Director
Telephone: +91-44-40020700, 28460390
Email: investor@cameoindia.com

ISSUE PROGRAMME

ISSUE OPENS ON: APRIL 25, 2022

ISSUE CLOSSES ON: APRIL 27, 2022



Prospectus
Dated: April 18, 2022
Please read section 26 & 32 of the
Companies Act, 2013
100% Fixed Price Issue

FONE4 COMMUNICATIONS(INDIA) LIMITED
CIN: U51506KL2014PLC036625

Our Company was originally incorporated as “Fone4 Communications (India) Private Limited” on May 8, 2014 vide certificate of incorporation bearing Corporate Identity No. U51506KL2014PTC036625 under the provisions of Companies Act, 2013 issued by the Registrar of Companies Kerala and Lakshadweep. Subsequently, the company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC Ernakulam, consequent upon conversion from Private Limited to Public Company dated March 9, 2022 in the name of “Fone4 Communications (India) Limited”. The Corporate Identification Number of our Company changed to U51506KL2014PLC036625. For further details, please refer to section titled “Our History and Certain Corporate Matters” beginning on page no 83 of the Prospectus.

Registered & Corporate office: 1st Floor, 45/692-B, Ashna Arcade, Vypolly Road, Thammanam Ernakulam 682032, Kerala, India

Contact Person: Ms. Nisha Shaw, Company Secretary & Compliance Officer; Tel No: +91 8606 777 777.

E-Mail ID: cs@fone4.in ; **Website:** www.fone4.in

OUR PROMOTERS: (I) MR. SAYYED HAMID, AND (II) MRS. ROUDHA ZERLINA

THE ISSUE

INITIAL PUBLIC OFFER OF 68,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (“EQUITY SHARES”) OF FONE4 COMMUNICATIONS (INDIA) LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE, AT PAR (THE “ISSUE PRICE”), AGGREGATING TO ₹680.00 LAKHS (“THE ISSUE”), OF WHICH 3,40,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE, AGGREGATING TO ₹34.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 64,60,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE, AGGREGATING TO ₹646.00 LAKHS IS HERE IN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 39.88% AND 37.89% RESPECTIVELY OF THE POST ISSUE PAIDUP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10/- EACH AND THE ISSUE PRICE IS ₹ 10/- EACH i.e., AT PAR OF THE FACE VALUE OF THE EQUITY SHARES. THE MINIMUM LOT SIZE IS 10,000 EQUITY SHARES

THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018 (THE “SEBI ICDR REGULATIONS”) READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET OFFER TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253(2) OF THE SEBI (ICDR) REGULATIONS, 2018. (For further details please see “The Issue” beginning on page no. 29 of this Prospectus.) A copy will be delivered for filing to the Registrar of Companies as required under sub-section 4 of Section 26 of the Companies Act, 2013.

In terms of Regulation 256 of SEBI ICDR Regulations read with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and Unified Payments Interface (UPI) introduced vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 all the potential investors shall participate in the issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about 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/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue 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. (For details in this regard, specific attention is invited to “Issue Procedure” beginning on page no. 160 of this Prospectus.)

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is ₹10/- each and the issue price is **at par** of face value of the equity share. The issue price 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 of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in 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 offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities 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 document. Specific attention of investors is invited to the statement of “Risk factors” beginning on page no. 17 of this Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the offer document 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our company issued through this 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, as amended from time to time, our company has received “in-principal” approval letter dated April 01, 2022 from **BSE** for using its name in this offer document for listing of our shares on the **BSE SME**. For the purposes of the issue, the **Designated Stock Exchange** will be **BSE Limited (“BSE”)**.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

 **FINSHORE**
Creating Enterprise Managing Values
FINSHORE MANAGEMENT SERVICES LIMITED
Anandlok Building, Block-A, 2nd Floor, Room No. 207,
227 A.J.C Bose Road, Kolkata-700020, West Bengal
Contact Person: Mr. S. Ramakrishna Iyengar
Telephone: 033 – 22895101
Email: ramakrishna@finshoregroup.com;
Website: www.finshoregroup.com;
Investor Grievance Email: info@finshoregroup.com;
SEBI Registration No: INM000012185
CIN No: U74900WB2011PLC169377

 **CAMEO**
CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building", #1, Club House Road,
Chennai - 600 002, India
Telephone: +91-44-40020700, 28460390
Facsimile: +91-44-28460129
Email: investor@cameoindia.com
Contact Person: Mr. R.D. Ramasamy, Director
Website: www.cameoindia.com
SEBI Registration Number: INR000003753
CIN No: U67120TN1998PLC041613

ISSUE PROGRAMME

ISSUE OPENS ON: APRIL 25, 2022

ISSUE CLOSES ON: APRIL 27, 2022

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SECTION I: GENERAL

DEFINITION AND ABBREVIATIONS

This prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. 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.

General Terms

TERMS	DESCRIPTIONS
“Fone4 Communications (India) Limited”, “FCIL”, “Fone4”, “The Company”, “Our Company”, “Issuer Company” or “Issuer”	Unless the context otherwise indicates or implies “ Fone4 Communications (India) Limited ” a Public Limited Company incorporated under the provision of Companies Act, 2013 and having its Registered Office at 1st Floor, 45/692-B, Ashna Arcade, Vypolly Road, Thammanam Ernakulam 682032, Kerala, India.
“we”, “our” or “us”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies.
Our Promoters or Promoters of the Company	The promoters of our company being “ Mr. Sayyed Hamid ” and “ Mrs. Roudha Zerlina ”.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled “Our Promoters and Promoter Group”

Company Related Terms

TERMS	DESCRIPTIONS
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Auditor/Statutory Auditor/Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being “ M/s. Kapish Jain & Associates ” Chartered Accountants, having its office at 504, B-Wing, Statesman House, 148 Barakhamba Road, New Delhi – 110001, India.
Audit Committee	Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the Section titled “ Our Management ” on page no. 86 of this prospectus.
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
“CFO” or Chief Financial Officer	The Chief Financial Officer of our company being “ Mr. Sayyed Haris Sayyed Imbichi ”.
CIN	Corporate Identification Number being U51506KL2014PLC036625 of our Company
Companies Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our company being “ Ms. Nisha Shaw ”.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee in accordance with Companies Act, 2013 as disclosed in the Section titled “ Our Management ” on page no. 86 of this prospectus.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
ED	Executive Director
Equity Shares	The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India
Fraudulent borrowers	Means a person or an issuer who or which is categorized as 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 fraudulent borrowers issued by the Reserve Bank of India.
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this prospectus, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in “ Group Entities of our Companies ” on page no. 99 of this prospectus.

TERMS	DESCRIPTIONS
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standard
Ind GAAP	Generally Accepted Accounting Principles in India.
Import	Import means bringing goods into India from a place outside India
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
IT Act	The Income Tax Act,1961 as amended till date
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being “INE0L3H01014”
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ Our Management ” beginning on page no. 86 of this prospectus.
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board in accordance with the requirements of the SEBI (ICDR) Regulations
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “ Our Management ” on page no. 86 of this prospectus.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Promoters	Shall mean promoters of our Company as mentioned in this prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ Our Promoter and Promoter Group ” beginning on page no. 96 of this prospectus.
Registered Office	Registered Office of the Company is presently situated at 1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam Ernakulam 682032, Kerala, India
Restated Financial Statement	Audited Financial Statements of the Company for the period ended 31 st December 2021 and financial Years ended 31 st March 2021, 31 st March 2020 and 31 st March 2019 as restated in accordance with SEBI (ICDR) Regulations.
RoC/Registrar of Companies	The Registrar of Companies - Ernakulam, Kerala.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Shareholders	Shareholders of our Company
Subscriber to MOA	Initial Subscriber to MOA
WTD	Whole Time Director
Stakeholders Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “ Our Management ” on page no. 86 of this prospectus.
Willful Defaulter(s)	A person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018.

Issue Related Terms

TERMS	DESCRIPTIONS
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment/Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of the Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Applicant (s) to whom the Equity Shares are being/have been issued/allotted.
Applicant/Investor	Any prospective investor who makes an application pursuant to the terms of the prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue

TERMS	DESCRIPTIONS
	Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this prospectus.
Application Supported by Blocked Amount or ASBA or UPI	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID. Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue 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.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a Retail Individual Investor which is blocked upon acceptance of a UPI Mandate Request made by the Retail Individual Investors using the UPI Mechanism
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this prospectus.
ASBA Forms	An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the prospectus.
ASBA Application Location(s) / Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being “ICICI Bank Limited” .
Banker to the Issue Agreement	Agreement dated March 25, 2022 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the Section titled, “Issue Procedure - Basis of Allotment” beginning on page no. 160 of this prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE on the following link: http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays).
BSE	BSE Limited
BSE SME	The SME Platform of BSE Limited, as per the Rules and Regulations laid down by SEBI for listing of equity shares
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. <i>CIR/CFD/POLICYCELL/11/2015</i> dated November 10, 2015, issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.

TERMS	DESCRIPTIONS
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account, as appropriate in terms of the prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose name is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com
Designated Stock Exchange	BSE Limited
Draft Prospectus	The Draft Prospectus dated March 21, 2022 issued in accordance with Section 26 & 32 of the Companies Act, 2013 filed with BSE Limited under SEBI (ICDR) Regulations.
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Shares	Equity Shares of our Company of face value ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue/Public Issue/Issue Size Initial Public Issue/IPO	Public issue of 68,00,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹10/- per Equity Share at par aggregating to ₹680.00 Lakhs by our Company, in terms of this prospectus.
Issue Agreement	The Issue Agreement dated March 16, 2022 between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which Equity Shares are being issued by our Company being ₹10/- per Share.

TERMS	DESCRIPTIONS
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to Section titled “ <i>Objects of the Issue</i> ” beginning on page no. 50 of this prospectus.
Lead Manager/LM	Means a merchant banker registered with the Board and appointed by the issuer to manage the issue and in case of a book-built issue, the lead manager(s) appointed by the issuer shall act as the book running lead manager(s) for the purposes of book building. Lead Manager to the Issue, in this case being “ <i>Finshore Management Services Limited</i> ”.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE. In our case, “ <i>Nikunj Stock Brokers Limited</i> ” is the Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated March 16, 2022 between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	Up to 3,40,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹10/- per Equity Share aggregating to ₹34.00 Lakhs only.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 64,60,000 Equity Shares of face value ₹10/- each for cash at an Issue price of ₹10/- per Equity Share (the “Issue Price”), aggregating up to ₹646.00 Lakhs Only.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India and Indian Banks Association (IBA)
Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹2.00 Lakh (but not including NRIs other than Eligible NRIs).
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
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 dated April 18, 2022 filed with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar to the Issue/RTI	Registrar to the Issue being in our case is “ <i>Cameo Corporate Services Limited</i> ”.
Registrar Agreement	The agreement dated March 11, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.

TERMS	DESCRIPTIONS
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category (ies)	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹2.00 Lakh in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank	ICICI Bank Limited , registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI 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.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Pin	Password to authenticate UPI transaction
UPI Circulars	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/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a Retail Individual Investor in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI Pin	Password to authentic UPI Transaction
Underwriters	Underwriter to this issue being " Finshore Management Services Limited "
Underwriting Agreement	The Underwriting Agreement dated March 16, 2022 entered into between our Company and the Underwriters.
U.S. Securities Act	U.S. Securities Act of 1933, as amended

TERMS	DESCRIPTIONS
Working Days	<p>“Working day” means all days on which commercial banks in the city as specified in the offer document are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business.</p> <p>The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the Board, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.</p>

Conventional and General Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2017 and as amended from time to time.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	“Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this prospectus.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.

TERMS	DESCRIPTIONS
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.

Technical and Industry related terms

TERMS	DESCRIPTIONS
ASSOCHAM	Associated Chambers of Commerce of India
BPM	Business Process Management
CAGR	Compounding Annual Growth Rate
CPI	Consumer Price Index
CSO	Central Statistics Office's
DIPP	Department of Industries Policy and Promotion
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
G-sec	Government Securities
IBEF	Indian Brand Equity Foundation
IMF	International Monetary Fund
INR	Indian Rupee Rates
MNC	Multinational Corporation
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MVC	Model View Controller
MYEA	Mid-Year Economic Analysis
NITI Aayog	National Institution for transforming India
PMA	Preferential Market Access
PSUs	Private Sector Units
RBI	Reserve Bank of India
SEZ	Special Economic Zone
US	United States
WPI	Wholesale Price Index

Abbreviations

TERMS	DESCRIPTIONS
₹ or Rs. or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CARO	Companies (Auditor's Report) Order, 2003.

TERMS	DESCRIPTIONS
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
CLB	Company Law Board.
CrPC	Criminal Procedure Code, 1973, as amended.
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.
GAAR	General anti avoidance rules.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MCA	Ministry of Corporate Affairs, Government of India.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.

TERMS	DESCRIPTIONS
US	United States.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms defined -

- a) In the section titled “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 179 of this prospectus, shall have the meaning given to such terms in that section;
- b) In the chapter titled “*Financial Statements as Restated*” beginning on page 104 of this prospectus, shall have the meaning given to such terms in that chapter;
- c) In the section titled “*Risk Factors*” beginning on page 17 of this prospectus, shall have the meaning given to such terms in that section;
- d) In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 56 of this prospectus, shall have the meaning given to such terms in that chapter; and
- e) In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 127 of this prospectus, shall have the meaning given to such terms in that chapter.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this prospectus are to the Republic of India.

Unless stated otherwise, all references to page numbers in this prospectus are to the page numbers of this prospectus.

In this prospectus, the terms “the Company”, “our Company”, “Issuer”, “Fone4”, “FCIL”, and “Fone4 Communications (India) Limited” unless the context otherwise indicates or implies, refers to “Fone4 Communications (India) Limited”.

In this prospectus, the terms “we”, “us”, “our”, unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies, if any.

In this 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 Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”. In this 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 information in this prospectus are extracted from the restated Financial Statements of our Company as of and for the period ended December 31, 2021 and for the financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “**Financial Statements as Restated**” beginning on page no. 104 of this prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and have been restated in accordance with the SEBI (ICDR) Regulations.

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

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this prospectus, including in the Sections titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page no. 17, 67, and 127 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this prospectus.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom. 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

Our Company has presented certain numerical information in this prospectus in “Lakh” units. One lakh represents 1,00,000. In this prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

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

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this prospectus has been derived from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Press Information Bureau, Department of Industrial Policy & Promotion, India Brand Equity Foundation and industry publications etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled "**Risk Factors**" beginning on page no. 17 of this prospectus. Accordingly, investment decisions should not be based on such information.

Exchange Rates

This prospectus may contain 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.

FORWARD LOOKING STATEMENT

The Company has included statements in this prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “**Risk Factors**”; “**Industry Overview**”; “**Our Business**”; and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”; beginning on page no. 17, 59, 67 and 127, respectively, of this prospectus.

The forward-looking statements contained in this prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

- Impact of covid-19 on our business and operations.
- Our ability to compete effectively.
- General economic and business conditions in India and other countries;
- Increase in price and material components
- Fluctuation in other operating cost
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of product/Service quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India 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 that have an impact on our 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 and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this prospectus until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF PROSPECTUS

(A) PRIMARY BUSINESS OF OUR COMPANY AND THE INDUSTRY IN WHICH IT OPERATES:

❖ Primary Business of Our Company:

Fone4 Communications (India) Limited - An online E-commerce Electronics outfit commenced its business in the year 2014 promoted by its visionary promoter Mr. Sayyed Hamid and headquartered at Cochin, Kerala. Inspired by the growth in the Online segment particularly for electronics and electricals gadgets, our Company developed a robust Technological Platform www.fone4.in, wherein customers can buy their desired products through online with attractive offers and more particularly during festive and other seasons. Our company has a wide range of offerings through both online as well as offline platform for electronic gadgets and accessories for Smart Phones, Laptops, Smart Television etc on the likes of Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita, TCL, LG, Sansui etc.

Our Company to boost the online sales in the State of Kerala, gradually started opening up retail stores at strategic locations and presently the company has 25 showrooms spread at: (Calicut (02), Cochin (06), Kollam (02), Kottayam (02), Malappuram (01), Palakkad (07), Thrissur (02), Trivandrum (03)). Whilst the retail stores are located at prominent locations to attract greater footfalls but the overall idea was to effectively deliver the products booked through online. Our company has emerged as one of the most trusted online platform outfit for purchase of electronics gadgets and accessories in the State of Kerala. (For Detailed information on our business, please refer to chapter titled “Our Business” beginning from page no. 67 of this prospectus.)

❖ Summary of the industry in which our Company operates:

Indian consumer durables market is one of the largest and fastest growing segments within India’s consumer market. The market comprises of a huge middle class (urban and rural), relatively large affluent class and a small economically disadvantaged class. Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India’s consumer market would be primarily driven by a favourable population composition and increasing disposable income. Consumer durables consists of two main categories: home and household appliances, and consumer electronics. Major and small appliances, like refrigerators, washing machines, and microwave ovens, vacuum cleaners and fans, are broadly classified as home appliances. Consumer electronics includes television sets, radios, personal computers and sometimes mobile phones and other electronic devices, like tablets, wearable devices, etc. (For further detailed information, please refer to chapter titled “Industry Overview” beginning from page no. 59 of this prospectus.)

(B) NAME OF THE PROMOTERS OF OUR COMPANY:

Mr. Sayyed Hamid and Mrs. Roudha Zerlina are the promoters of our company. (For further details, please refer chapter “Our Promoters and Promoters Group” beginning from page no. 96 of this prospectus.)

(C) SIZE OF THE ISSUE:

Initial Public issue of **68,00,000** equity shares of face value of ₹10/- each (“Equity Shares”) of Fone4 Communications (India) Limited (“The Company” or “The Issuer”) for cash at a price of ₹10/- per equity share, aggregating to **₹680.00 Lakhs** (“The Issue”), of which **3,40,000** equity shares of face value of ₹10/- each for cash at a price of ₹10/- per equity share, aggregating to **₹34.00 lakhs** will be reserved for subscriptions by the **Market Maker** to the issue (The “Market Maker Reservation Portion”). The issue less market maker reservation portion i.e., Issue of **64,60,000** equity shares of face value of ₹10/- each for cash at a price of ₹10/- per equity share, aggregating to **₹646.00 lakhs** is here in after referred to as the “**Net Issue**”. The issue and the net issue will constitute **39.88%** and **37.89%** respectively of the post issue paid up equity share capital of the company.

(D) OBJECTS OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

Sl. No.	Particulars	Amount (₹ in Lakhs)	In %
1	To Meet working capital requirement	600.50	88.31%
2	Public issue expenses	49.50	7.28%
3	General corporate purpose	30.00	4.41%
Total: Gross Issue Proceeds		680.00	100.00%

(For further details, please refer chapter “Objects of the Issue” beginning from page no. 50 of this prospectus.)

(E) PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTERS GROUP AS ON THE DATE OF THIS PROSPECTUS:

Particulars	Pre-Issue Shareholding	
	Number of Shares	Percentage holding
Promoters		
Sayyed Hamid	48,74,996	47.56%
Roudha Zerlina	48,75,000	47.56%
Total Promoters Shareholding (A)	97,49,996	95.12%
Promoter Group		
Sayyed Haris Sayyed Imbichi	5,00,000	4.88%
Aisha Beevi Sayyed Imbichi	1	0.00%
Najmunnisa Sayyed Imbichi	1	0.00%
Sayed Salman Bafakyh	1	0.00%
Total Promoters Group Shareholding (B)	5,00,003	4.88%
Total Promoters & Promoters Group (A+B)	1,02,49,999	100.00%

(F) SUMMARY OF RESTATED FINANCIAL STATEMENTS:*(Rs. In Lakhs)*

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Total Share Capital	575.00	175.00	175.00	175.00
Total Net Worth	406.90	(1.74)	8.27	106.05
Total Revenue	4212.57	6,380.25	5,752.19	15,242.89
EBITDA	127.25	268.33	144.42	232.39
Profit After Tax	8.64	(10.00)	(97.78)	(155.35)
Face Value per equity shares	10/-	10/-	10/-	10/-
Earnings Per Share (Basic & Diluted)	0.15	(0.57)	(5.59)	(8.88)
Net Asset Value per equity share	7.08	(0.10)	0.47	6.06
Total Borrowings	261.57	2,087.97	4,283.66	2,411.98

(For further details, please refer chapter "Financial statement as Restated" beginning from page no. 104 of this prospectus.)

(G) AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENT:

The auditor report of Restated Financial information of Fone4 Communications (India) Limited, for the period ended 31st December 2021 and financial year ended on 31st March 2021, 31st March 2020 and 31st March 2019 does not contain any qualification which have not been given effect to in restated financial statement.

(H) SUMMARY OF OUTSTANDING LITIGATIONS:

There are certain outstanding litigation pending against the company, directors and promoters. These legal proceedings are pending at different levels of adjudication. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our business and financial status. A summary of these legal and other proceedings are given below:

Sr No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable In INR
1.	Filed against the Company		
	Direct Tax	3	1,98,96,539
2.	Filed against our Directors & Promoters		
	Civil Cases	2	1,55,00,000
	Direct Tax	2	15,92,630
	Total	7	3,69,89,169

(For further details, please refer chapter "Outstanding Litigation and Material Development" beginning from page no. 131 of this prospectus.)

(I) CROSS REFERENCE TO THE SECTION TITLED RISK FACTORS:

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 offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this prospectus.

(For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “Risk Factors” beginning on page no. 17 of this prospectus.)

(J) SUMMARY OF CONTINGENT LIABILITIES:

As per restated financial statement, there are below mentioned contingent liabilities which may occur in future as on the date of this prospectus.

- The Company has been registered under PF Act, however, the provisions of the Act have not been followed up during the period under review. The impact of the same cannot be ascertained.
- The Company has not considered the impact of provisions of AS 15 Provision for Retirement benefits. The impact of the same is not ascertainable. However, it will be recognized as an expense on actual basis

(K) SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST 3 YEARS:

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “Financial Statements as Restated” – “Related Party Transactions” beginning on page no. 124 of this prospectus

(L) DETAILS OF FINANCING ARRANGEMENT:

There are no financing arrangements whereby the promoters, member of promoter group, the directors of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity since inception of the company.

(M) WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES WAS ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR FROM THE DATE OF THIS PROSPECTUS:

Sl. No.	Name of the Promoter	No. of Equity Shares Acquired during last one Year	Weighted Average Price (In ₹ per Equity Share)
1	Sayyed Hamid	40,00,000	10.00
2	Roudha Zerlina	40,00,000	10.00

(N) AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR PROMOTERS:

Sl. No.	Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
1	Sayyed Hamid	48,74,996	10.00
2	Roudha Zerlina	48,75,000	10.00

(O) DETAILS OF PRE-IPO PLACEMENT:

Our Company has not proposed any Pre-IPO Placement from the date of this prospectus till the listing of the Equity shares.

(P) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS PROSPECTUS:

Except as disclosed in this Prospectus, our company has not issued any Equity shares for consideration other than cash. *(For further details pertaining to Issue of Equity Shares for consideration other than cash, kindly refer to the chapter titled “Capital Structure” beginning on page no. 40 of this prospectus.)*

(Q) DETAILS OF SPLIT/CONSOLIDATION OF OUR EQUITY SHARES IN THE LAST ONE YEAR FROM THE DATE OF THIS PROSPECTUS:

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year till the date of this prospectus.

SECTION III: RISK FACTORS

RISK FACTOR

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “Our Business”, “Particulars of the Issue”, “Industry Overview”, “Financial Statement as Restated”, “Outstanding Litigation and Other Material Developments”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 67, 50, 59, 104, 131, and 127 respectively, as well as the other financial and statistical information contained in this prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

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

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTOR:

Industry specific Risk:

1. **Our Company, Promoters, Promoters Group and Group Company are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status. A classification of these legal and other proceedings is given below:**

Sr No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable In INR
1.	Filed against the Company		
	Direct Tax	3	1,98,96,539
2.	Filed against our Directors & Promoters		
	Civil Cases	2	1,55,00,000
	Direct Tax	2	15,92,630
	Total	7	3,69,89,169

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. For further details, please refer chapter “Outstanding Litigation and Material Development” beginning from page no. 131 of this prospectus.

2. Our Company's business highly depends on the brands recognition and reputation of the products it offers to sell and their inability to maintain or enhance brands image that we sell could have a material adverse effect on our business, financial condition and results of operations.

Our company is into business of retail sales of consumer durable products of various brands like Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita, TCL, Xiaomi, LG, and Sansui etc. We believe that the recognition and reputation of these brands among consumers has contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of these brands are, therefore, critical to our business and competitiveness.

Though we are not required to promote the products of these well-known brands, we compete on price, quality services, dedication and commitment towards customers, in our industry. Our financial performance is influenced by the success of above brands, which, in turn, depends on factors such as product design & features, the distinct character and the quality of the products, after sale services, communication activities, public relations and marketing etc. The consumers that use and recommend the branded products have come to expect a high level of quality from these products and on the failure on the part of the brands/companies to deliver on that expectation could adversely impact our business and reputation.

3. Our Company is dependent on external suppliers/distributors for its product requirements. Any delay or failure on the part of the external suppliers/distributors to deliver products, may materially and adversely affect our business, profitability and reputation.

We do not manufacture any of the products we sell. The products sold by us at our stores are sourced from a wide variety of suppliers/distributors. Any delay or failure on the part of our suppliers/distributors to deliver products in a timely manner may materially and adversely affect our business, profitability and reputation. Further, any deterioration in the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Certain factors affecting supplies and thereby impeding our access to products are political and economic instability in India or political instability in certain parts of Kerala in which our suppliers/distributors are located, the financial instability of the suppliers, labour problems experienced by our suppliers, transport availability and cost, transport security, inflation, and other factors. The operations of our suppliers are further subject to various operating risks. For instance, the COVID-19 pandemic impacted our suppliers' business as a result of the nationwide lockdown imposed by the Government of India. These factors may result in delay of supply of products we sell and could also have an adverse effect on our business.

4. We may be subject to risks associated with product warranty for the brand products.

We are subject to risks and costs associated with product warranties on account of supply of defective or inferior quality products within the warranty periods stipulated for such products. Any defects in the products may result in invocation of such warranties. The defects in such products or any product liability claim against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby adversely affecting our reputation, business, results of operations, financial condition and cash flows.

5. Our company has suffered loss as per Restated Financial statement since FY 2019.

As per Restated Financial Statement, our Company has suffered loss since FY 2019, as per details mentioned below:

Particulars	31-03-2021	31-03-2020	31-03-2019
Net Profit/(Loss) as Restated	(10,00,322)	(97,77,711)	(1,55,34,873)
Add: Depreciation	1,07,33,417	1,41,83,625	1,82,34,472
Add: Interest on Loan	1,83,50,386	1,22,08,011	2,23,56,883
Add: Income Tax	(12,50,224)	(21,71,476)	(18,17,125)
EBITDA	2,68,33,257	1,44,42,449	2,32,39,357

However, we have not suffered any cash loss during the said period. We are suffering loss due to high Depreciation provision and finance cost, which is expected to gradually reduce in the near future. We have already re-paid all our loans taken from bank till September 30, 2021 and also planning to make our company totally loan free gradually. But we cannot assure investors that such expectation will prove to be correct and we will not suffer the loss in future.

6. A large part of our revenues is dependent on a limited number of brands. The loss of any of our major brands or a decrease in the supply or volume from such brands, will materially and adversely affect our revenues and profitability.

At present, we derive most of our revenues from the sale of products from limited number of brands. For the year ended March 31, 2021, the revenue from our top five brands was 87.99% of our revenue from sale of products – consumer electronics and durables. Our business and results of operations will be materially and adversely affected if we are unable to maintain a continuing relationship with these brands or develop and maintain relationships with other new brands. The loss of a significant brand or a number of significant brands due to any reason will result in sales getting impacted which will have a material adverse effect on our business prospects and results of operations. We cannot assure you that we will be able to maintain historic levels of business from such significant brands, or that we will be able to significantly reduce our dependence on such limited number of brands in the future.

7. Our Registered Office and all the 25 stores from where we operate are not owned by us.

Our Registered Office premise is situated at 1st Floor, 45/692-B, Ashna Arcade, Vypilly Road, Thammanam, Ernakulam- 682032, Kerala, India including all the 25 Stores located at various parts of Kerala are not owned by us, which are all taken on Lease rental basis from various third parties being the owners of the properties. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. For further details, see section “**Our Business**” on page 67 of this prospectus. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

8. The extent to which the Coronavirus pandemic (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.

During the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future.

We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and workforce. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

9. The Qualification and Experience Proof of some of our Promoters & Directors are not available.

Our Promoters and Directors are qualified and are highly experienced to run the day-to-day affairs of the Company. However, the Qualification and Experience Proof (as mentioned in this Prospectus) of some of our Promoters & Directors are not available.

10. Our revenues are highly dependent on our operations in certain geographical region of Kerala. Any adverse development affecting our operations in these regions could have an adverse impact on our business, financial condition and results of operations.

We have derived a substantial portion of our revenue from products sold to customers based in Kerala only. If the economic conditions of Kerala become volatile or uncertain or the conditions in the financial market were to deteriorate, especially in recent times due to the COVID-19 pandemic, or if there are any changes in laws applicable to our industry or if any restrictive conditions are imposed on us or our business, there will be a severe impact on the financial condition of our business. Further, the ultimate customers located in these geographies may reduce or postpone their spending significantly which would adversely affect our operations and financial conditions.

11. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

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

12. We operate in a competitive industry and our market share may be adversely impacted in case we do not keep ourselves apprised of the latest consumer trends and technology and if we fail to compete effectively in the markets in which we operate.

We operate in a competitive industry which is characterized by rapid shifts in consumer trends and technology and our market share may be adversely impacted at any time by the significant number of competitors in our industry that may compete more effectively than us. These frequent changes and their impact on consumer demand may result into both price and demand volatility, leading to change in the competitive scenario. Due to the expansive nature of our business, we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space. We compete with national and local consumer durable stores, independent retail stores and internet businesses that market similar lines of products as us. Many of our competitors are, and many of our potential competitors may be, larger, and may have substantially greater financial, marketing and other resources and, therefore, may be able to adapt to changes in customer requirements more quickly and devote greater resources in marketing and sale of their products or adopt more aggressive pricing policies than we can. We face a variety of competitive challenges, including:

- pricing our products to remain competitive while achieving a customer perception of comparatively higher value;
- anticipating and quickly responding to changing consumer demands;
- maintaining favorable brand recognition and effectively marketing our products to consumers in diverse markets;
- providing strong and effective marketing support;
- maintaining high levels of consumer traffic to our retail and online stores; and
- local stores which may have a fixed clientele base and wider penetration in certain geographical areas;

Similarly, some of our organized competitors may also have advantages over us on account of, more prominent locations of their stores, more efficient distribution networks, better trained employees, greater geographic reach, broader product ranges or access to a large pool of financial resources. Further, certain regional and national competitors have already expanded in untapped new markets. As a result, we will need to put in efforts to create brands and propositions that will provide access to high value products and also create a customer connect to our brand identity.

13. We plan to expand into new geographies and may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

We plan to expand into new geographies in the future. The risks involved in entering new geographies and expanding operations in those areas, may be higher than expected. As we enter new locations, we will face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

14. Competition from online retailers who are able to offer products at competitive prices and are also able to offer wide range of products may adversely affect our business and our financial condition, results of operations and cash flows.

We are witnessing a growth in the competition from online retailers who have been able to offer products at competitive prices. Due to various factors, including efficient logistics management and strategic tie-ups, online retailers are not only able to offer more discounts, but also a wider range of consumer durables. Due to the above reasons, online retailing has been witnessing noticeable growth in the recent years and increased competition from them could reduce footfalls and sales in our stores. There is no assurance that we would be able to effectively offset the advantages that our competitors in the online business may have and grow our business in a similar fashion like our online competitors, or that the competition we face would not drain our financial or other resources. If we are unable to adequately address such competitive pressures, our business, financial condition, results of operations and cash flows may be adversely affected.

15. Our ability to attract customers is dependent on the location of our stores and any adverse development impairing the success and viability of our stores could adversely affect our business, financial condition and results of operations.

Our stores are typically located in densely populated residential areas and neighborhoods keeping in mind accessibility and potential for future development. Sales are derived, in part, from the volume of footfalls in the stores located in these locations. Store locations may become unsuitable and our sales volume and customer traffic generally may be adversely affected by, among other things, change in primary occupancy in a particular area from residential to commercial, competition from nearby retailers, changing customer demographics, changing lifestyle choices of customers in a particular market and the popularity of other businesses located near our stores.

Changes in areas around our store locations that result in reductions in footfalls or otherwise render the locations unsuitable, could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations.

16. Our business is subject to seasonal and cyclical volatility due to which there may be fluctuation in the sales of products which could lead to higher closing inventory position, which may adversely affect our business.

We offer products at our stores that our consumers require and our success is dependent on our ability to meet our consumers' requirements. The retail consumer spending is heavily dependent on the economy and, to a large extent, on various occasions such as festivals, seasonal changes, weddings, etc. Any year also has phases of lean sales. We have historically experienced seasonal fluctuation in our sales, with higher sales volumes associated with the festive period in the third quarter of each Financial Year. We have also seen higher sales volume of particular products in a certain season. These seasonal variations in consumer demand subject our sector to a considerable degree of volatility. As a result, our revenue and profits may vary during different quarters of the financial year and certain periods may not be indicative of our financial position for a full financial year or future quarters or periods and may be below market expectations. Further, any unanticipated decrease in demand for our products during our peak selling season could result into higher closing inventory position, which may lead to sale and liquidation of inventory getting delayed against the trajectory under normal course of business, which could adversely affect our financial position and business operations. Fluctuations in the electronic retail market affect the inventory owned by electronic retailers, since merchandise usually must be manufactured in advance of the season and frequently before the trends are evidenced by customer purchases. In addition, the cyclical nature of the retail electronics business requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels.

Also, since our business is seasonal in nature, we are vulnerable to non-availability of products during the peak season where there are higher number of footfalls. Such instances may lead to our customers approaching our competitors. This may lead to a reduction in our customer base. Further, we will be vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise production. If sales do not meet expectations, too much inventory may lower planned margins. Our brand image may also suffer if customers believe we are no longer able to offer the latest products. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

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

Our success depends heavily upon the continuing services of Promoters & Directors who are the natural person in control of our Company. Our Promoters have a vast experience in the field of retail business of consumer durables. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company's current customer and supplier relations. We believe that our Promoters, who have rich experience in this industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters are also part of certain other firms / ventures and may continue to do so. If they divert their attention to such other concerns, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

Further, we also depend significantly on our directors for executing their day-to-day activities. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected. For details, see chapter titled "**Financial Indebtedness**" on page no. 126 of this Prospectus.

18. We have working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.

Our business requires working capital, part of which would be met through additional borrowings in the future. In many cases, significant amounts of working capital are required to finance the procurement of branded products before payments are received from customers. Our working capital requirements may increase, under certain conditions, where payment terms do not include advance payments or include delayed payments from customers. Additionally, our working capital requirements have increased in recent years due to the general growth of our business. All of these factors may result, or have resulted, in increases in our working capital needs.

Due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms, or at all, which may have a material adverse effect on our business, financial condition, growth prospects and results of operation.

19. Our Company had negative cash flow from operating activity in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow from operating activity in the financial years as mentioned below, which could affect our business and growth:

(Rs. In Lakhs)

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Net cash from operating activities	1,461.88	2,390.41	(1,751.04)	(1,752.89)
Net Cash (used in) / from investing activities	415.08	3.12	(7.12)	494.97
Net Cash used in financing activities	(1,887.09)	(2,379.19)	1,749.60	1,040.31
Net increase/(decrease) in cash and cash equivalent	(10.13)	14.34	(8.56)	(217.61)

20. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into related party transactions with our Promoters, Directors, Group Entities and their relatives. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to **"Related Party Transactions"** under section titled **"Financial Statements as Restated"** on page no. 124 of this Prospectus.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. 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. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled **"Key Regulations and Policies"** and **"Government and Other Key Approvals"** at pages 76 and 140 respectively of this Prospectus.

22. In addition to normal remuneration, other benefits and reimbursement of expenses our directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Some of our Directors (including our Promoters) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoters & our directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Promoters and Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters and Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. For further details of our transactions or interests of our promoters / promoter group, please refer the chapters titled **"Our Promoters and Promoter Group"** and **"Our Group Companies"**, **"Related Party Transactions"** and **"Financial Information as Restated"** beginning on page nos. 96, 99, 124 and 104 respectively, of this Prospectus.

23. Our Company's insurance coverage may not be adequate to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work.

Our company maintains current Insurance coverage through the Compact Insurance Policy (a package policy for commercial establishments) of the United India Insurance Company Limited for all its retail stores, located in Calicut (02), Cochin (06), Kollam (02), Kottayam (02), Malappuram (01), Palakkad (07), Thrissur (02), Trivandrum (03). Our existing insurance coverage may be insufficient to cover all the risks associated with our business and operations. We also cannot assure you that we will renew our existing insurance policies in a timely manner or at all. In the case of an uninsured loss, a loss in excess of insured limits or a loss for which we do not have coverage or coverage is prohibitively expensive, including those caused by natural disasters and other events beyond our control, we may be required to pay for losses,

damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations. Even if our insurance coverage is adequate to cover our direct losses, we may not be able to take remedial actions or other appropriate measures. Furthermore, our claim records may affect the premiums which insurance companies may charge us in the future.

24. *We are dependent on a number of key managerial personnel, including our senior management, and the loss of or our inability to attract or retain such persons with specialized knowledge could adversely affect our business, results of operations, cash flows and financial condition.*

Our performance depends largely on the efforts and abilities of our senior management and other key managerial personnel, including our present officers who have specialized knowledge. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company does not maintain any director's and officer's insurance policy or any keyman insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

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

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

26. *Industry information included in this prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

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

27. *Within the parameters as mentioned in the chapter titled "Objects of this Issue" of this prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire Issue Proceeds towards meeting the working capital requirement, Issue Expenses and general corporate purpose. We intend to deploy the Net Issue Proceeds in financial year 2022-23 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "*Objects of the Issue*" beginning on page 50 of this prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled "*Objects of the Issue*" beginning on page 50 of this prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

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

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

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see *“Dividend Policy”* on page 103 of this prospectus.

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

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

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

The Issue price is based on numerous factors. For further information, see the chapter titled *“Basis for Issue Price”* beginning on page no. 54 of this prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly 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;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

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

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

33. *The price of the Equity Shares may be highly volatile after the Issue.*

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India’s economic liberalization and deregulation policies; and significant developments in India’s fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

- 34. *There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the lead manager, has determined the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate, economic conditions of India and volatility of the securities markets elsewhere in the world.

- 35. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchanges or other securities markets could adversely affect the market value of the Equity Shares.

The Issue Price of the Equity Shares has been 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 significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. You may not be able to resell your Equity Shares at a price that is attractive to you.

EXTERNAL RISKFACTORS

- 1. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

- 2. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

- 3. *Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.***

Our Company currently prepares its annual financial statements under Indian GAAP. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (Ind AS) and the timelines for their implementation. In accordance with such notification, our Company is required to prepare its financial statements in accordance with Ind AS. Ind AS is different in many aspects from Indian GAAP under which our financial statements are currently prepared. Accordingly, the degree to which the restated financial statements included in the prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the prospectus should accordingly be limited.

4. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Custom duties on imports of products;
- Goods and Service Tax

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

5. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

6. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Power Sector industry contained in the prospectus.

While facts and other statistics in the prospectus relating to India, the Indian economy and the Consumer Durable industry has been based on various government publications, reports from government agencies, India Brand Equity Foundation and industry publications etc. that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Industry Overview*” beginning on page 59 of this prospectus. Due to possibly flawed 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, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

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

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

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

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

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

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. 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.

12. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

PROMINENT NOTES TO RISK FACTOR:

1. Initial Public Issue of 68,00,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹10/-per Equity Share (Issue Price) at par, aggregating up to ₹680.00 Lakhs
2. The pre-issue net worth of our Company as per Restated Balance Sheet as on December 31, 2021 is ₹406.91 Lakhs. Further the Company has allotted 45,00,000 Equity shares for a consideration price of ₹10/-per Equity Share (Issue Price) at par on February 12, 2022. For more information, please refer to section titled “*Capital Structure*” beginning on page 40 of this prospectus.
3. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Sl. No.	Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
1	Sayyed Hamid	48,74,996	10.00
2	Roudha Zerlina	48,75,000	10.00

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “*Capital Structure*” beginning on page no 40 of this prospectus.

4. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “*Related Party Transaction*” under chapter titled “*Financial Statements as restated*” beginning on page 124 of this prospectus.
5. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 158 of this prospectus.
6. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 40, 96, 86 and 124 respectively, of this prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
7. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 40 of this prospectus, we have not issued any Equity Shares for consideration other than cash.
8. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
9. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 54 of the prospectus.
10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the prospectus with the Stock exchange.
11. Investors may contact the Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “*General Information*” beginning on page 33 of this prospectus.

All grievances in relation to the application through ASBA process or UPI Mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form/UPI, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above

SECTION IV: INTRODUCTION

THE ISSUE

The present Issue of **68,00,000** Equity Shares in terms of prospectus has been authorized pursuant to a resolution of our Board of Directors held on March 12, 2022 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extra-Ordinary General Meeting of the members held on March 16, 2022.

The following is the summary of the Issue:

Present Issue ⁽¹⁾	Up to 68,00,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹10/- per Equity Share aggregating to ₹680.00 Lakhs.
Out of which:	
Market Maker Reservation Portion	Up to 3,40,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹10/- per Equity Share aggregating to ₹34.00 Lakhs.
Net Issue to the Public ⁽²⁾	Up to 64,60,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹10/- per Equity Share aggregating to ₹646.00 Lakhs.
Out of which:	
Allocation to Retail Individual Investors for up to Rs. 2.00 lakh	32,30,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹10/- per Equity Share aggregating to ₹323.00 Lakhs.
Allocation to other investors for above Rs. 2.00 lakh	32,30,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹10/- per Equity Share aggregating to ₹323.00 Lakhs.
Pre-Issue and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,02,50,000 Equity Shares having face value of ₹10/- each
Equity Shares outstanding after the Issue*	1,70,50,000 Equity Shares having face value of ₹10/- each
Objects of the Issue	Please refer to the section titled “ Objects of the issue ” beginning on page no. 50 of this prospectus.
Issue Open on	April 25, 2022
Issue Close on	April 27, 2022

*Assuming Full Allotment

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

⁽²⁾ This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:

(a) Minimum 50% to the Retail individual investors; and

(b) remaining to:

- i. individual applicants other than retail individual investors; and
- ii. other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;

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: For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details, kindly refer the chapter titled “**Terms of the Issue**” beginning on page 153 of this prospectus

SUMMARY OF FINANCIAL INFORMATION

RESTATED STATEMENT OF BALANCE SHEET

Particulars	Annexure No.	As on			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
Equity & Liabilities					
1. Shareholders Fund					
a) Share capital	I.1	5,75,00,000	1,75,00,000	1,75,00,000	1,75,00,000
b) Reserves and surplus	I.2	(1,68,09,485)	(1,76,73,524)	(1,66,73,202)	(68,95,491)
Total Shareholder's Fund		4,06,90,515	(1,73,524)	8,26,798	1,06,04,509
2. Non Current Liabilities					
a) Long Term Borrowings	I.3	2,61,56,985	9,92,45,359	8,93,16,304	10,34,67,297
b) Deferred Tax Liability	I.4	-	-	-	-
c) Other Non Current Liabilities		-	3,50,00,000	3,50,00,000	3,50,00,000
d) Long Term Provisions		3,84,700	3,84,700	3,84,700	4,22,550
Total Non Current Liabilities		2,65,41,685	13,46,30,059	12,47,01,004	13,88,89,847
3. Current Liabilities					
a) Short Term Borrowings	I.5	-	10,95,51,934	33,90,49,449	13,77,30,363
b) Trade Payables	I.6	22,39,06,222	22,21,33,356	1,17,29,87,952	1,10,43,59,733
c) Other Current Liabilities	I.7	2,13,27,157	2,63,99,467	2,01,73,697	3,05,25,221
d) Short Term Provisions	I.8	3,40,980	2,56,319	-	4,34,315
Total Current Liabilities		24,55,74,359	35,83,41,076	1,53,22,11,099	1,27,30,49,632
Total Equity & Liability		31,28,06,559	49,27,97,612	1,65,77,38,901	1,42,25,43,988
4. Non-Current Assets					
a) Fixed Assets	I.9				
- Tangible Assets		2,49,62,446	3,10,20,317	3,63,95,193	4,87,41,285
- Intangible Assets		5,11,403	5,58,013	5,26,270	6,48,185
- Work-In-Progress		-	-	-	-
Total Fixed Assets					
b) Non - current Investments	I.10	-	-	-	-
c) Deferred Tax Assets (Net)	I.4	54,50,881	49,86,490	37,36,266	15,64,790
d) Long Term Loans and Advances	I.11	3,38,53,478	5,80,00,397	5,62,09,997	5,70,48,566
e) Other Non- current Assets	I.12	-	-	-	-
Total Non Current Assets		6,47,78,208	9,45,65,217	9,68,67,726	10,80,02,826
5. Current assets					
a) Inventories	I.13	21,14,20,650	19,86,20,600	14,95,20,812	13,65,83,931
b) Trade Receivables	I.14	70,64,821	16,11,08,182	1,37,91,87,913	1,14,60,09,563
c) Cash and Cash Equivalents balances	I.15	16,60,197	26,73,042	12,39,114	20,95,013
d) Short Term Loans and advances	I.16	1,98,61,590	2,78,09,478	2,29,02,243	2,18,31,562
e) Other Current Assets	I.17	80,21,093	80,21,093	80,21,093	80,21,093
Total Current Assets		24,80,28,351	39,82,32,395	1,56,08,71,175	1,31,45,41,162
Total Assets		31,28,06,559	49,27,97,612	1,65,77,38,901	1,42,25,43,988

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For further details, kindly refer the chapter titled "Financial statement as Restated" beginning on page 104 of this prospectus.

RESTATED STATEMENT OF PROFIT AND LOSS

Particulars	Annexure No.	For the Period / Year ended on			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
Income					
Revenue from Operations	II.1	41,95,96,357	63,13,92,699	57,42,15,456	1,46,89,60,983
Other Income	II.2	16,60,544	66,32,012	10,03,325	5,53,28,296
Total Revenue		42,12,56,901	63,80,24,711	57,52,18,781	1,52,42,89,279
Expenditure					
Cost of Material Consumed	II.3	36,45,71,426	55,04,68,052	52,10,07,338	1,38,21,18,109
Change in Inventories	II.4	-	-	-	-
Employee Benefit Expenses	II.5	1,23,83,720	1,41,50,179	92,07,587	2,45,12,492
Other Expenses	II.6	3,15,76,532	4,65,73,223	3,05,61,407	9,44,19,321
Total Expenses		40,85,31,678	61,11,91,454	56,07,76,332	1,50,10,49,922
Profit Before Interest, Depreciation and Tax		1,27,25,223	2,68,33,257	1,44,42,449	2,32,39,357
Depreciation & Amortisation Expenses	I.9	62,57,121	1,07,33,417	1,41,83,625	1,82,34,472
Profit Before Interest and Tax		64,68,102	1,60,99,840	2,58,824	50,04,885
Financial Charges	II.7	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883
Profit before Taxation		3,99,648	(22,50,546)	(1,19,49,187)	(1,73,51,998)
Provision for Taxation	II.8	3,40,980	2,56,319	-	4,34,315
Provision for Deferred Tax		(4,64,391)	(12,50,224)	(21,71,476)	(22,51,440)
MAT Credit Entitlement		(3,40,980)	(2,56,319)	-	-
Total		(4,64,391)	(12,50,224)	(21,71,476)	(18,17,125)
Profit After Tax but Before Extra ordinary Items		8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Extraordinary Items		-	-	-	-
Profit Attributable to Minority Shareholders		-	-	-	-
Net Profit after adjustments		8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Net Profit Transferred to Balance Sheet		8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For further details, kindly refer the chapter titled “Financial statement as Restated” beginning on page 104 of this prospectus.

RESTATED STATEMENT OF CASH FLOW STATEMENT

PARTICULARS	For the Period / Year ended on			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax as per Profit & Loss A/c	8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Adjusted for :				
a. Depreciation	62,57,121	1,07,33,417	1,41,83,625	1,82,34,472
b. Interest Expenses & Finance Cost	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883
c. Other Adjustments	-	-	-	-
d. Interest & Other Income	(16,60,544)	(66,32,012)	(10,03,325)	(5,53,28,296)
Operating profit before working capital changes				
Adjusted for :				
a. Decrease /(Increase) in Inventories	(1,28,00,050)	(4,90,99,788)	(1,29,36,881)	(4,71,89,056)
b. Decrease / (Increase) in Trade Receivable	15,40,43,361	1,21,55,36,059	(23,51,42,780)	(1,11,58,77,614)
c. Decrease / (Increase) in Loans and Advances	2,51,59,764	(32,24,328)	16,94,468	(1,10,90,872)
d. Decrease / (Increase) in Other Assets	(4,64,391)	(12,50,224)	(21,71,476)	(39,43,268)
e. Increase / (Decrease) in Trade Payables	17,72,866	(95,08,54,596)	6,86,28,219	1,03,65,28,699
f. Increase / (Decrease) in Provisions	84,661	2,56,319	(4,34,315)	(8,47,685)
g. Increase / (Decrease) in Other Liabilities	(3,31,37,267)	62,25,770	(1,03,51,524)	(25,97,600)
Cash generated from operations				
Net Income Tax (Paid)/Refund	-	-	-	-
Net Cash Generated/(Used) From Operating Activities (A)	14,61,88,014	23,90,40,681	(17,51,03,689)	(17,52,89,210)
B. CASH FLOW FROM INVESTING ACTIVITES				
a. (Purchase) Sale of Fixed Assets	(1,52,640)	(63,19,919)	(17,15,618)	(57,51,398)
b. Interest & Other Income	16,60,544	66,32,012	10,03,325	5,52,48,466
c. Capital Introduced	4,00,00,000	-	-	-
Net Cash Generated/(Used) From Investing Activities (B)	4,15,07,904	3,12,093	(7,12,293)	4,94,97,068
C. CASH FLOW FROM FINANCING ACTIVITES				
a. Interest & Finance Cost	(60,68,454)	(1,83,50,386)	(1,22,08,011)	(2,23,56,883)
b. (Repayments) / proceeds of long term borrowings	(7,30,88,374)	99,29,055	(1,41,50,993)	2,88,65,204
c. (Repayments) / proceeds of short term borrowings	(10,95,51,934)	(22,94,97,515)	20,13,19,087	9,75,22,838
Net Cash Generated/(Used) From Financing Activities (C)	(18,87,08,763)	(23,79,18,846)	17,49,60,083	10,40,31,159
Net Increase / (Decrease) in cash and cash equivalents	10,12,845	14,33,928	(8,55,899)	(2,17,60,983)
Cash and cash equivalents at the beginning of the year	26,73,042	12,39,114	20,95,013	2,38,55,996
Cash and cash equivalents at the end of the year	16,60,197	26,73,042	12,39,114	20,95,013

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.
2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For further details, kindly refer the chapter titled "**Financial statement as Restated**" beginning on page 104 of this prospectus.

SECTION V: GENERAL INFORMATION

Our Company was originally incorporated as “**Fone4 Communications (India) Private Limited**” on May 8, 2014 vide certificate of incorporation bearing Corporate Identity No. U51506KL2014PTC036625 under the provisions of Companies Act, 2013 issued by the Registrar of Companies Kerala and Lakshadweep. Subsequently, the company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC Ernakulam, consequent upon conversion from Private Limited to Public Company dated March 9, 2022 in the name of “**Fone4 Communications (India) Limited**”. The Corporate Identification Number of our Company changed to U51506KL2014PLC036625. For further details, please refer to section titled “Our History and Certain Corporate Matters” beginning on page no. 83 of the Prospectus.

Brief of Company and Issue Information	
Registered & Corporate Office	Fone4 Communications (India) Limited 1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam Ernakulam 682032, Kerala, India Contact Person: Mr. Sayyed Haris Sayyed Imbichi, Contact No: +91 91417 77777. Email ID: haris@fone4.in Website: https://www.fone4.in
Date of Incorporation	May 08, 2014
Corporate Identification Number	U51506KL2014PLC036625
Company Category	Company Limited by Shares
Company Sub-category	Indian Non-Government Company
Address of Registrar of Companies	Registrar of Companies – Ernakulam, Company Law Bhawan, BMC Road, Thrikkakara, Kochi - 682021, Kerala, India.
Designated Stock Exchange[^]	BSE Limited, SME Platform of BSE Limited (“BSE SME”) P.J. Towers, Dalal Street, Mumbai – 400 001
Company Secretary and Compliance Officer	Ms. Nisha Shaw Company Secretary & Compliance Officer Fone4 Communications (India) Limited 1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam Ernakulam 682032, Kerala, India Contact No: +91 8606 777 777. Email ID: cs@fone4.in Website: https://www.fone4.in
Chief Financial Officer (CFO)	Mr. Sayyed Haris Sayyed Imbichi, Chief Financial Officer Fone4 Communications (India) Limited 1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam Ernakulam 682032, Kerala, India Contact No: +91 91417 77777. Email ID: haris@fone4.in Website: https://www.fone4.in
Statutory & Peer Review Auditor of the company	“M/s. Kapish Jain & Associates” Chartered Accountants, Address: 504, B-Wing, Statesman House, 148 Barakhamba Road, New Delhi – 110001, India. Tel. No: 9971921466 E-mail ID: ca.kapish@gmail.com Contact Person: CA Kapish Jain Designation: Partner Membership Number: 514162 Firm Registration No: 022743N

[^] In compliance with Regulation 230(1)(a) of SEBI (ICDR) Regulation, 2018, we had made an application to SME Platform of BSE Limited only for listing of our equity shares.

Board of Directors of Our Company:

Our Company's Board comprises of the following Directors:

Sl. No.	Name of Director	Designation	DIN	Age	Residential Address
1	Mr. Sayyed Hamid	Managing Director	05167876	43 Years	Flat No.5154, Prestige Neptunes, Courtyard, Marine Divine, Ernakulam North, Ernakulam -682018, Kerala.
2	Mrs. Roudha Zerlina	Non-Executive Director	05168024	37 Years	Flat No.5154, Prestige Neptunes, Courtyard, Marine Divine, Ernakulam North, Ernakulam -682018, Kerala.
3	Mr. Sayyed Haris Sayyed Imbichi	Executive Director & CFO	08395581	27 Years	Ashiyana, House No.10, Krishna Nagar, Modern Bazar, Ernakulam, Kolathara Kozhikode-673655 Kerala.
4	Mr. Mohammed Arzoo Abdul Latheef	Independent Director	09525381	28 years	Lamiyas, VKK Menon Road, Kallai PO, Kozhikode-673003, Kerala.
5	Mr. Mohammed Asharaf	Independent Director	09526578	26 Years	Nediyath, Adinadu South, Kattilkadavu, PO, Karunagappaly, Adinad, Kollam, Kattilkadavu-690542, Kerala.

For further details of the Board of Directors, please refer to the Section titled "**Our Management**" beginning on page no. 86 of this prospectus.

Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER	REGISTRAR TO THE ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED Anandlok", Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: 033 – 22895101 Email: ramakrishna@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN No: U74900WB2011PLC169377	CAMEO CORPORATE SERVICES LIMITED "Subramanian Building", #1, Club House Road, Chennai - 600 002, India Telephone: +91-44-40020700, 28460390 Facsimile: +91-44-28460129 Email: investor@cameoindia.com Contact Person: Mr. R.D. Ramasamy, Director Website: www.cameoindia.com SEBI Registration Number: INR000003753 CIN No: U67120TN1998PLC041613
BANKER TO THE ISSUE AND SPONSOR BANK	LEGAL ADVISOR TO THE ISSUE
ICICI Bank Limited Capital Market Division, 1 st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai-400020 Tel No.: 022-66818911/23/24 Email: sagar.welekar@icicibank.com Website: www.icicibank.com Contact Person: Mr. Sagar Welekar	J MUKHERJEE & ASSOCIATES D-1, MMS Chambers, 1 st Floor, 4A Council House Street, Kolkata-700001, West Bengal, India Telephone: +91 9830640366 Email: jmukherjeeandassociates@gmail.com Contact Person: Mr. Jayabrata Mukherjee

Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Statement of Inter Se Allocation of Responsibilities

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Self-Certified Syndicate Banks (“SCSBs”)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Issuer Banks for UPI

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

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the BSE Limited at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 as updated from time to time.

Brokers to This Issue

All brokers registered with SEBI and members of the Recognised Stock Exchange can act as brokers to the Offer.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Credit Rating

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

Trustees

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

Debenture Trustees

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

IPO Grading

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

Monitoring Agency

As per regulation 262(1) of the SEBI ICDR Regulations 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is only of ₹680.00 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

No appraising entity has been appointed in respect of any objects of this Issue.

Filing of Draft Prospectus/Prospectus with the SEBI/ROC

In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall be filed with the Board (SEBI) through the Lead Manager, immediately upon filing of the offer document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, The Board (SEBI) shall not issue any observation on the offer document. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of this Prospectus shall also be furnished to the Board in a soft copy.

A copy of the Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Prospectus will be mailed at the e-mail address: cfdil@sebi.gov.in

A copy of the Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the **Registrar of Companies-Ernakulam**.

Issue Programme

Issue Opening Date	April 25, 2022
Issue Closing Date	April 27, 2022
Finalisation of Basis of Allotment with BSE SME	May 02, 2022
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	May 04, 2022
Credit of Equity Shares to demat accounts of the Allottees	May 05, 2022
Commencement of trading of the Equity Shares on BSE SME	May 06, 2022

Expert Opinion

Our Company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this prospectus in relation to the (a) Peer review Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Peer review Auditors and such consent has not been withdrawn as on the date of this prospectus.

Change in Auditors during the last three (3) years

M/s. Kapish Jain & Associates (FRN No: 022743N) has been appointed as statutory auditor of the company with effect from February 25, 2022 by the Board of Director to fill the casual vacancy caused due to resignation of M/s. Mathew & Jose (FRN No: 012850S) to fill the requirement of Statutory Auditor having Peer Review Certificate for a listed company.

Underwriter

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent (100%) of the offer and shall not be restricted up to the minimum subscription level and as per sub regulation (2) The lead manager(s) shall underwrite at least fifteen per cent of the issue size on their own account(s).

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated March 16, 2022 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name, Address, Telephone, and Email of the Underwriter	Indicated no. of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue Size Underwritten
Finshore Management Services Limited Anandlok, Block-A, 2nd Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, India Tel No: +91-33-22895101 Website: www.finshoregroup.com Email: ramakrishna@finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185	68,00,000* Equity Shares	₹680.00 Lakhs	100.00%

*Includes 3,40,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated March 16, 2022 in order to comply with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

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

Details of Market Making Arrangement for This Issue

Our Company and the Lead Manager has entered into Market Making Agreement dated March 16, 2022 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

Name	Nikunj Stock Brokers Limited
Address	A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi-110092
Contact Person	Mr. Anshul Aggarwal
Telephone	+91 9810655378
E-mail	info@nikunjonline.com
Website	www.nikunjonline.com
SEBI Registration No	INZ000169335
CIN	U74899DL1994PLC060413

M/s. Nikunj Stock Brokers Limited, registered with BSE Limited, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

- *In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the BSE and SEBI regarding this matter from time to time.*
- *In terms of regulation 261(2) of SEBI ICDR Regulations 2018, The market maker or issuer, in consultation with the lead manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the BSE Ltd.*
- *In terms of regulation 261(3) of SEBI ICDR Regulations 2018, Following is a summary of the key details pertaining to the Market Making arrangement*
 1. The Market Maker “Nikunj Stock Brokers Limited” shall be required to provide a two-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 BSE SME and SEBI from time to time.
 3. The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, SEBI ICDR Regulations and relevant Exchange Circulars including BSE notice no: 20190718-28 dated 18th July, 2019 on Net worth requirement for Market Makers on SME platform.
 4. The minimum depth of the quote shall be Rs.1.00 Lakh. However, the investors with holdings of value less than Rs. 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
 5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
 6. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on BSE SME (in this case currently the minimum trading lot size is 10,000 equity shares; however, the same may be changed by the BSE SME from time to time).
 7. The shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
 8. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the BSE Limited.
 9. 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.
 10. In terms of regulation 261(6) of SEBI ICDR Regulations 2018, Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of **Fone4 Communications (India) Limited** or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
 11. In terms of regulation 261(7) of SEBI ICDR Regulations 2018, The Promoters’ holding of **Fone4 Communications (India) Limited** shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters’ holding of **Fone4 Communications (India) Limited** which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the SME Platform of BSE Limited, in the manner specified by SEBI from time to time.

12. The Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI (ICDR) Regulations, 2018.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of **Fone4 Communications (India) Limited** via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
14. **Risk containment measures and monitoring for Market Maker:** BSE SME will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
15. **Punitive Action in case of default by Market Maker(s):** BSE SME Exchange 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 they are 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.

The Market Maker(s) shall have the right to terminate said arrangement by giving **three months' notice** or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

16. 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
17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the issue size)	Re-entry threshold for buy quote (including mandatory initial inventory of 5% of the issue size)
Up to Rs.20 Crore	25%	24%
Rs. 20 to Rs.50 Crore	20%	19%
Rs. 50 to Rs.80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

18. 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.
19. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. Additionally, the trading shall take place in TFT segment for first 10 days from

commencement of trading. The 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.

- *In terms of regulation 261(4) of SEBI ICDR Regulations 2018, The specified securities being bought or sold in the process of market making may be transferred to or from the nominated investors with whom the lead manager(s) and the issuer have entered into an agreement for market making: Provided that the inventory of the market maker, as on the date of allotment of the specified securities, shall be at least five per cent. of the specified securities proposed to be listed on BSE SME.*
- *In terms of regulation 261(5) of SEBI ICDR Regulations 2018, The market maker shall buy the entire shareholding of a shareholder of the issuer in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME: Provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME.*

SECTION VI: CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this prospectus, is set forth below:
(Rs. in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	Authorized Share Capital		
	1,80,00,000 Equity Shares of face value of ₹10/- each	1,800.00	--
B.	Issued, Subscribed & Paid-up Share Capital prior to the Offer ⁽¹⁾		
	1,02,50,000 Equity Shares of face value of ₹10/- each	1,025.00	1,025.00
C.	Present issue in terms of the prospectus ⁽²⁾		
	68,00,000 Equity Shares of ₹10/- each for cash at a price of ₹10/-per share	680.00	680.00
Which Comprises of			
D.	Reservation for Market Maker portion		
	3,40,000 Shares of ₹10/- each for cash at a price a ₹10/- per Equity Share	34.00	34.00
E.	Net Issue to the Public		
	64,60,000 Equity Shares of ₹10/- each for cash at a price a ₹10/- per Equity Share, out of which:	646.00	646.00
	32,30,000 Equity Shares of ₹10/- each for cash at a price a ₹10/-per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 lakhs	323.00	323.00
	32,30,000 Equity Shares of ₹10/- each for cash at a price a ₹10/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹2.00 lakhs	323.00	323.00
F.	Paid up Equity capital after the Issue		
	1,70,50,000 Equity Shares of ₹10/- each	1705.00	
G.	Securities Premium Account		
	Before the Issue		Nil
	After the Issue		Nil

⁽¹⁾ Our Company has only one class of share, i.e., Equity Shares having face value of ₹10/- each and there are not partly paid-up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this prospectus.

⁽²⁾ The present Issue of 68,00,000 Equity Shares in terms of prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 12, 2022 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on March 16, 2022.

Details of changes in Authorized Share Capital of Our Company since incorporation:

Sr. No.	Date of Shareholders approval	EOGM/AGM/ Postal Ballot	Authorized Share Capital (Rs.)	Details of change
1	8 th May 2014	On Incorporation	1,00,000	Incorporated with an Authorized Share Capital of ₹1,00,000 comprising of 10,000 Equity Shares of ₹10/- each.
2	25 th February 2015	EOGM	5,00,000	Increase in Authorised Share Capital from Rs.1,00,000/- comprising of 10,000 Equity Shares of Rs.10/- each to Rs.5,00,000/- comprising of 50,000 Equity Shares of Rs.10/- each.
3	24 th January 2018	EOGM	2,00,00,000	Increase in Authorised Share Capital from Rs.5,00,000/- comprising of 50,000 Equity Shares of Rs.10/- each to Rs.2,00,00,000/- comprising of 20,00,000 Equity Shares of Rs.10/- each.
4	17 th July 2019	EOGM	3,00,00,000	Increase in Authorised Share Capital from Rs.2,00,00,000/- comprising of 20,00,000 Equity Shares of Rs.10/- each to

Sr. No.	Date of Shareholders approval	EOGM/AGM/ Postal Ballot	Authorized Share Capital (Rs.)	Details of change
				Rs.3,00,00,000/- comprising of 30,00,000 Equity Shares of Rs.10/- each.
5	30 th June 2021	EOGM	9,00,00,000	Increase in Authorised Share Capital from Rs.3,00,00,000/- comprising of 30,00,000 Equity Shares of Rs.10/- each to Rs.9,00,00,000/- comprising of 90,00,000 Equity Shares of Rs.10/- each.
6	4 th February 2022	EOGM	18,00,00,000	Increase in Authorised Share Capital from Rs.9,00,00,000/- comprising of 90,00,000 Equity Shares of Rs.10/- each to Rs.18,00,00,000/- comprising of 1,80,00,000 Equity Shares of Rs.10/- each.

Notes to Capital Structure:

Share capital history of our Company

(a) Equity share capital history of our Company:

The following is the history of the equity share capital of our Company:

Date of Allotment	No. of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in ₹)	Cumulative Share Premium (in ₹)
08-05-2014	10,000	10.00	10.00	Cash	Subscription to MOA ⁽¹⁾	10,000	1,00,000	-
15-03-2015	5,000	10.00	10.00	Cash	Preferential Allotment ⁽²⁾	15,000	1,50,000	-
31-01-2018	17,35,000	10.00	10.00	Cash	Right Issue ⁽³⁾	17,50,000	1,75,00,000	-
15-09-2021	40,00,000	10.00	10.00	Other than Cash	Conversion of Loan ⁽⁴⁾	57,50,000	5,75,00,000	-
12-02-2022	45,00,000	10.00	10.00	Other than Cash	Conversion of Loan ⁽⁵⁾	1,02,50,000	10,25,00,000	-

(1) Allotment on Initial subscription to the Memorandum of Association dated 08/05/2014

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sayyed Hamid	10.00	10.00	Subscription to MOA	5,000
2	Roudha Zerlina	10.00	10.00	Subscription to MOA	5,000
Total					10,000

(2) Further on 15/03/2015, the Company has allotted 5,000 Equity Shares of the face value of ₹10/- each at par as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Mohamed Shameer Aboobacker	10.00	10.00	Preferential Allotment	5,000
Total					5,000

(3) Further on 31/01/2018, the company has allotted 17,35,000 Equity Shares of the face value of ₹10/- each at par as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sayyed Hamid	10.00	10.00	Right Issue	8,67,500
2	Roudha Zerlina	10.00	10.00	Right Issue	8,67,500
Total					17,35,000

- (4) Further on 15/09/2021, the company has allotted 40,00,000 Equity Shares of the face value of ₹10/- each at par as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sayyed Hamid	10.00	10.00	Conversion of Loan	20,00,000
2	Roudha Zerlina	10.00	10.00	Conversion of Loan	20,00,000
Total					40,00,000

- (5) Further on 12/02/2022, the company has allotted 45,00,000 Equity Shares of the face value of ₹10/- each at par as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sayyed Hamid	10.00	10.00	Conversion of Loan	20,00,000
2	Roudha Zerlina	10.00	10.00	Conversion of Loan	20,00,000
3	Sayyed Haris Sayyed Imbichi	10.00	10.00	Conversion of Loan	5,00,000
Total					45,00,000

As on the date of this prospectus, our Company does not have any preference share capital.

- (b) **Equity shares issued for consideration other than cash:**

As on the date of this prospectus, Our Company has not issued Equity shares for consideration other than cash.

- (c) **Revaluation of our assets:**

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

- (d) **If shares have been issued in terms of any scheme approved under Sections 391- 394 of the Companies Act or under section 230-234 of the Companies Act, 2013:**

Our Company has not issued any Equity Shares in terms of any scheme approved under Sections 391- 394 of the Companies Act or under section 230-234 of the Companies Act, 2013.

- (e) **If shares have been issued under one or more employee stock option schemes:**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this prospectus.

- (f) **Issue of Equity Shares in the last one year below the Issue Price:**

This issue is at par with face value of ₹10/- per Equity Share. No Equity Shares had been issued by our company at a price lower than the issue price during the preceding one year from the date of this prospectus.

(g) Shareholding Pattern of our Company:

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

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (Sb)	
								Class: X	Class : y	Total								
A1	Promoter	2	97,49,996	-	-	97,49,996	95.12%	97,49,996	-	97,49,996	95.12%	-	-	-	-	-	-	97,49,996
A2	Promoter Group	4	5,00,003	-	-	5,00,003	4.88%	5,00,003	-	5,00,003	4.88%	-	-	-	-	-	-	5,00,003
B	Public	1	1	-	-	1	-	1	-	1	-	-	-	-	-	-	-	1
C	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	1,02,50,000	-	-	1,02,50,000	100.00%	1,02,50,000	-	1,02,50,000	100.00%	-	100.00%	-	-	-	-	1,02,50,000

- As on date of this prospectus, 1 Equity share holds 1 vote.
- As on date, we have only one class of Equity Shares of face value of Rs. 10/- each.
- All Pre-IPO equity shares of our company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on SME Platform of BSE Limited.
- In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters are dematerialized.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the Website of BSE Limited before commencement of trading of such Equity Share.

- (i) **List of Major Shareholders holding 1% or more of the current paid-up equity share capital aggregating to at least 80% of capital of our Company as on the date of the prospectus:**

Sl. No.	Name of Shareholders	Number of Equity Shares	% Of the Pre-Issue paid-up capital
1	Sayyed Hamid	48,74,996	47.56%
2	Roudha Zerlina	48,75,000	47.56%
3	Sayyed Haris Sayyed Imbichi	5,00,000	4.88%
Total		1,02,49,996	100.00%

- (ii) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 10 (Ten) days before the date of the prospectus:**

Same as mentioned above in point no (i)

- (iii) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 1 (one) year before the date of the prospectus:**

Sl. No.	Name of Shareholders	Number of Equity Shares	% Of the then existing paid-up capital
1	Sayyed Hamid	8,75,000	50%
2	Roudha Zerlina	8,75,000	50%
Total		17,50,000	100.00%

- (iv) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 2 (two) year before the date of the prospectus:**

Sl. No.	Name of Shareholders	Number of Equity Shares	% Of the then existing paid-up capital
1	Sayyed Hamid	8,75,000	50%
2	Roudha Zerlina	8,75,000	50%
Total		17,50,000	100.00%

- (h) **Proposal or intention to alter our capital structure within a period of 6 months from the date of opening of the Issue:**

Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company after obtaining relevant approvals.

- (i) **The Details of Shareholding of Promoter's and Promoter Group of Our Company;**

Capital Build-up of our Promoter's in our Company: The current promoters of our Company are i) Sayyed Hamid and ii) Roudha Zerlina.

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this prospectus, our Promoters collectively hold 97,49,996 Equity Shares, which constitutes 95.12% of the Pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately 57.18% of the Post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO. The Details are as under:

S. No	Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
		Number of Shares	Holding in %	Number of Shares	Holding in %
Promoters					
1	Sayyed Hamid	48,74,996	47.56%	48,74,996	28.59%
2	Roudha Zerlina	48,75,000	47.56%	48,75,000	28.59%
Total		97,49,996	95.12%	97,49,996	57.18%

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

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

i) Sayyed Hamid

Date of Allotment/ Acquisition/Sale	Number of Equity Shares	Face Value	Issue/Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding %	Post-issue Share Holding %	Pledge
08-05-2014	5,000	10.00	10.00	Cash	Subscription to MoA	0.05%	0.03%	No
03-01-2018	2,500	10.00	10.00	Cash	Transfer	0.02%	0.01%	No
31-01-2018	8,67,500	10.00	10.00	Cash	Right Issue	8.46%	5.09%	No
15-09-2021	20,00,000	10.00	10.00	Other than Cash	Conversion of Loan	19.51%	11.73%	No
12-02-2022	20,00,000	10.00	10.00	Other than Cash	Conversion of Loan	19.51%	11.73%	No
23-02-2022	-4	10.00	10.00	Cash	Transfer	0.00%	0.00%	No
TOTAL	48,74,996					47.56%	28.59%	

ii) Roudha Zerlina

Date of Allotment/ Acquisition/Sale	Number of Equity Shares	Face Value	Issue/Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding %	Post-issue Share Holding %	Pledge
08-05-2014	5,000	10.00	10.00	Cash	Subscription to MoA	0.05%	0.03%	No
03-01-2018	2,500	10.00	10.00	Cash	Transfer	0.02%	0.01%	No
31-01-2018	8,67,500	10.00	10.00	Cash	Right Issue	8.46%	5.09%	No
15-09-2021	20,00,000	10.00	10.00	Other than Cash	Conversion of Loan	19.51%	11.73%	No
12-02-2022	20,00,000	10.00	10.00	Nil	Conversion of Loan	19.51%	11.73%	No
TOTAL	48,75,000					47.56%	28.59%	

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

Sl. No.	Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
1	Sayyed Hamid	48,74,996	10.00
2	Roudha Zerlina	48,75,000	10.00

Note: All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares and there are no partly paid-up Equity Shares as on the date of filing of this prospectus.

(j) As on date of this prospectus, our Company has 7 (Seven) shareholders.

(k) The aggregate shareholding of the Promoters and Promoter Group and of the directors of the promoters, where the promoter is a body corporate.

Our Promoters doesn't include any Body corporates. The Aggregate shareholding of the Promoters & Promoter Group are as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Promoters				
Sayyed Hamid	48,74,996	47.56%	48,74,996	28.59%
Roudha Zerlina	48,75,000	47.56%	48,75,000	28.59%
Total Promoters Shareholding (A)	97,49,996	95.12%	97,49,996	57.18%
Promoter Group				
Sayyed Haris Sayyed Imbichi	5,00,000	4.88%	5,00,000	2.93%
Aisha Beevi Sayyed Imbichi	1	0.00%	1	0.00%
Najmunnisa Sayyed Imbichi	1	0.00%	1	0.00%
Sayed Salman Bafakyh	1	0.00%	1	0.00%
Total Promoters Group Shareholding (B)	5,00,003	4.88%	5,00,003	2.93%
Total Promoters & Promoters Group (A+B)	1,02,49,999	100.00%	1,02,49,999	60.12%

- There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of filing of the offer document.

(l) Promoter's Contribution:

(i) Details of Promoter's Contribution Locked-in of Equity Shares for Three (3) Years

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company.

Further, in terms of Regulation 238(a) of SEBI ICDR Regulations, minimum promoter's contribution will be locked-in for a period of three years from the date of Allotment or date of commencement of commercial production, whichever is later and the Equity Shares held by Promoter of our Company in excess of minimum promoter's contribution will be locked-in for a period of one year from the date of Allotment.

As on the date of this prospectus, our Promoters collectively hold 97,49,996 Equity Shares constituting 57.18% of the Post offer issued, subscribed and paid-up Equity Share capital of our Company, which are eligible for the Promoter's Contribution margin of 20% of the post Issue equity share capital of our Company.

An aggregate of minimum 20.00% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Minimum Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted their consents to include such number of Equity Shares held by them as may constitute minimum 20.00% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this prospectus until the completion of the lock-in period specified above.

The details of lock-in of shares for 3 (three) years are as under:

Sr. No.	Name of the Promoter Shareholder	Number of Shares held	Number of Shares held for lock-in	Post-IPO Share Locked in (In%)	Lock in Period
1	Sayed Hamid	48,74,996	17,05,000	10.00%	3 Years
2	Roudha Zerlina	48,75,000	17,05,000	10.00%	3 Years
Total		97,49,996	34,10,000	20.00%	

34,10,000 Pre-IPO equity shares of our company held by Our Promoter will be locked-in for 3 (three) years as mentioned above prior to listing of shares on SME Platform of BSE Limited.

In terms of Regulation 237 of SEBI ICDR Regulations, our Company confirms that none of the Equity Shares forming part of minimum promoter's contribution –

- Are acquired by our Promoter during preceding three financial years;
 - For consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved; or
 - Through bonus issue of Equity Shares made by utilizing the revaluation reserves or unrealized gain or through bonus issue against equity shares which are ineligible for minimum promoter's contribution;
- Are pledged by our Promoter with any creditor;
- Consist of Equity Shares acquired by our Promoter during preceding one year at a price lower than the Issue Price.

Our Company was incorporated under the Companies Act, 2013 and was not incorporated by converting the partnership firm(s) or LLP(s).

The Promoters have severally confirmed that the Equity Shares are eligible in terms of Regulation 237 of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares are free from any lien, encumbrance or third-party rights. The Promoters have also severally confirmed that they are the legal and beneficial owners of the Equity.

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Lead Manager that the Equity Shares held by our

Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

(ii) Details of Equity Shares Locked-in for one (1) year

In excess of minimum 20% of the post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), the balance pre-issue share capital of our Company held by promoters shall be locked in for a period of one year from the date of Allotment in this Issue as provided in clause 238(b) of SEBI (ICDR) Regulations 2018.

Further, in terms of Regulation 239 of SEBI ICDR Regulations, entire pre-Issue equity shares capital of our Company held by persons other than our Promoter will be locked-in for a period of one year from the date of Allotment in the Issue.

The details of lock-in of shares for 1 (one) year are as under:

<i>Name of Shareholders</i>	<i>Category</i>	<i>No of Shares Held</i>	<i>Lock-in for 3 Years</i>	<i>Lock-in for 1 Years</i>
Sayyed Hamid	Promoter	48,74,996	17,05,000	31,69,996
Roudha Zerlina	Promoter	48,75,000	17,05,000	31,70,000
Sayyed Haris Sayyed Imbichi	Promoter Group	5,00,000	-	5,00,000
Aisha Beevi Sayyed Imbichi	Promoter Group	1	-	1
Najmunnisa Sayyed Imbichi	Promoter Group	1	-	1
Sayed Salman Bafakyh	Promoter Group	1	-	1
Suhail A K	Public	1	-	1
Total		1,02,50,000	34,10,000	68,40,000

(iii) Other requirements in respect of lock-in

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

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

➤ **Pledge of Locked-in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company, subject to fulfilment of following conditions:

- i. In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;
- ii. In respect of Equity Shares which are locked in for a period of three years, the loan has been granted by such scheduled commercial bank or public financial institution or systemically important non-banking finance company or housing finance company to our Company or our Subsidiary (ies) for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

➤ **Transfer of Locked-in Equity Shares**

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

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

(iv) Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this prospectus:

There is no Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this prospectus except as mentioned in this chapter and prospectus.

- (m)** Our Company, its Directors, Promoters or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
- (n)** The Equity Shares issued pursuant to this Issue shall be fully paid-up.
- (o)** The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this prospectus.
- (p)** There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of issuer, in the preceding three years (separately for each year) and on a cumulative basis for all options or equity shares issued prior to the date of the prospectus.
- (q)** There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this prospectus.

Other miscellaneous disclosures:

1. None of the Equity Shares of our Company are subject to any pledge as on the date of this prospectus.
2. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this prospectus.
3. Except as disclosed in the chapter titled **“Our Management”** beginning on page 86 of this prospectus, none of our directors or Key Managerial Personnel holds any Equity Shares in our Company.
4. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the prospectus.
5. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.
6. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
7. Our Company has not issued Equity Shares out of Revaluation Reserves.
8. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
9. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this prospectus.
10. Our Company has not raised any bridge loan against the proceeds of this issue.
11. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this prospectus.
12. Our Company has not revalued its assets since incorporation.
13. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity

Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

14. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange i.e., BSE Limited (BSE SME Platform). Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
15. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI (ICDR) Regulations.
16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
17. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there is no other class of securities issued by our Company.
20. This issue is being made through Fixed Price method.
21. This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:
 - (a) Minimum 50% to the Retail individual investors; and
 - (b) remaining to:
 - i. individual applicants other than retail individual investors; and
 - ii. other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;

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: For the purpose of Regulation 253, sub-regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

22. ***Our Promoters and members of our Promoter Group will not participate in the Issue.***

SECTION VII: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 68,00,000 Equity Shares of our Company at an Issue Price of ₹10/- per Equity Share aggregating to ₹680.00 Lakhs.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE Limited.

The Objects of the Issue are:

- A. To meet the working capital requirements of the company
- B. To meet the Issue Expenses
- C. General Corporate Purposes

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 object's 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.

Requirement of Funds

The following table summarizes the requirement of funds:

(Rs. In Lakhs)

Sr. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from issue proceeds
1	To Meet working capital requirement	600.50	88.31%	600.50
2	Public issue expenses	49.50	7.28%	49.50
3	General corporate purpose	30.00	4.41%	30.00
	Total: Gross Issue Proceeds	680.00	100.00%	680.00
Less	Issue Expenses	49.50	7.28%	49.50
	Net Issue Proceeds	630.50	92.72%	630.50

Means of Finance:

We propose to meet the requirement of funds for the stated objects of the Issue from the IPO Proceeds and internal accruals. Accordingly, we confirm that we are in compliance with the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9(C) of Part A of Schedule VI of the SEBI (ICDR) Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

Details of the Use of the Proceeds

A. Working Capital Requirement and basis of estimation:

Our business is working capital intensive and our company funds a majority of our working capital requirement through internal accruals and secured / unsecured Loans. For the expansion of our business and to enter new geographical areas, our company requires additional working capital which is based on our management estimations of the future business plan for the FY 2022-23.

Details of estimation of working capital requirement are as follows:

(Rs. in Lakhs)

Particulars	31-03-2020	31-03-2021	31-03-2022	31-03-2023
	(Restated)	(Restated)	(Estimation)	(Estimation)
Cash & Bank Balance	12.39	26.73	31.26	77.14
Sundry Debtors	13,791.88	1,611.08	416.67	625.00
Inventory	1,495.21	1,986.21	1,145.83	1,406.25
Other Current Assets	80.21	80.21	100.00	100.00
Total Current Assets	15,379.69	3,704.23	1,693.76	2,208.39
Sundry Creditors	11,729.88	2,221.33	543.75	815.63
Other Current Liabilities	201.74	266.56	165.00	177.00
Total Current Liabilities	11,931.62	2,487.89	708.75	992.63
Working Capital Gap	3,448.07	1,216.34	985.01	1,215.77
Source of Working Capital				
Proceeds from IPO	-	-	-	600.50
Short Term Borrowings	3,390.49	1,095.52	-	-
Internal Accrual	57.58	120.82	985.01	615.27
Total	3,448.07	1,216.34	985.01	1,215.77

Assumption on working capital requirement:

We have estimated our working capital requirement based on the following holding periods:

Particulars	31-03-2020	31-03-2021	31-03-2022	31-03-2023
Sundry Debtors Holding period (Months)	28.82	3.06	1.00	1.00
Inventory Holding Period (Months)	3.12	3.77	2.75	2.25
Sundry Creditor Holding Period (Months)	27.02	4.84	1.50	1.50

B. General Corporate Purpose

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., Rs. 30.00 Lakhs, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives
- (ii) brand building and strengthening of marketing activities; and
- (iii) ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

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

C. Issue Related Expense

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Estimated Expenses (Rs. in Lakhs)	As a % of Total Issue Expenses	% of the Total Issue Size
Lead Manager Fees including other intermediaries' fees	24.50	48.49%	3.60%
Advertising and Marketing Expenses	2.50	5.05%	0.37%
Regulators Including Stock Exchanges	21.00	42.42%	3.09%
Printing and distribution of Issue Stationary	1.50	3.03%	0.22%
Total	49.50	100.00%	7.28%

Note:

- **ASBA Bankers:** The SCSBs will be entitled to selling commission of 0.01% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price) for the forms directly procured by them and uploaded on the electronic system of the stock exchange by them on the portion of Retail Individual Bidders and Non-Institutional Bidders. No other fees/commission shall be payable on the application forms directly procured by them.

The SCSBs would be entitled to processing fees of 0.01% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.

- **SYNDICATE ASBA:** Other intermediaries will be entitled to procurement fees of ₹10/- (plus GST) per valid application form for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual Bidders and Non-Institutional Bidders.
- **Issuer banks for UPI Mechanism** as registered with SEBI would be entitled to a processing fee of ₹10/- (plus GST) per valid application form made by the Retail Individual Bidders using the UPI mechanism for processing.
- *The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

Appraisal by Appraising Fund:

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 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.

Shortfall of Funds

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

Bridge Financing Facilities

As on the date of this prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Interim Use of Proceeds

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 issue.

Monitoring Utilization of Funds

As the Issue size is less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. 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. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

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 Hindi, 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.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel, director of promoters in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

BASIS FOR ISSUE PRICE

The Issue Price of ₹10/- per Equity Share has been determined by our Company, in consultation with the Lead Manager and justified by our Company, in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is ₹10/- which is at par with the face value. Investors should also refer “*Our Business*”, “*Risk Factors*” and “*Financial Statements as Restated*” beginning on page no. 67, 17 and 104 respectively, of this prospectus, to have an informed view before making an investment decision.

QUALITATIVE FACTORS:

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

- Established and proven track record;
- Strategically located showrooms across Kerala;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled “*Our Business*” beginning on page no. 67 of this prospectus.

QUANTITATIVE FACTORS:

The information presented in this section is derived from our Company’s Restated Financial Statements for the Nine months period ended 31st December 2021 and financial year ended on 31st March 2021, 31st March 2020 and 31st March 2019 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “*Financial Statements as Restated*” beginning on page no 104 of this prospectus. Some of the quantitative factors, which form the basis for computing the price, are as follows:

The information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “*Financial Statements as Restated*” beginning on page no 104 of this prospectus. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS) as adjusted for changes in capital for last 3 years:

Earnings Per Share: As per the Company's restated financial information:

Particulars	Basic & Diluted EPS (Rs.)	Weight
Year ended March 31, 2019	(8.88)	1
Year ended March 31, 2020	(5.59)	2
Year ended March 31, 2021	(0.57)	3
Weighted Average	(3.63)	
For the period ended December 31, 2021 (not annualised)	0.15	

Note:

1. **Basic & Diluted EPS:** EPS has been calculated as PAT/Weighted average no. of shares outstanding for particular period/year in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share' issued by ICAI.
2. **Weighted average:** Aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹10/- per equity share of face value of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS as on March 31, 2021	(17.49)
P/E ratio based on the Weighted Average EPS as above	(2.76)
P/E ratio based on the Basic & Diluted EPS For the period ended December 31, 2021 (Not annualised)	66.55

3. Average Return on Net Worth (RoNW) for last 3 years:

Particulars	RONW in %	Weight
Year ended March 31, 2019	(146.49%)	1
Year ended March 31, 2020	(1182.60%)	2
Year ended March 31, 2021 [^]	--	--
Weighted Average	(837.23%)	
For the period ended December 31, 2021 (not annualised)	2.12%	

Weighted average: Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. $[(Return\ on\ Net\ Worth\ \times\ Weight)\ for\ each\ year] / [Total\ of\ weights]$

[^] In FY 2020-21, both the networth and Net profit after tax are in negative, so ignored.

Note: Net worth has been computed by aggregating share capital and reserves and surplus as per the Restated Financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

4. Net Assets Value (NAV):

Particulars	Amount (In Rs.)
Net Asset Value per Equity Share as of December 31, 2021	7.08
Net Asset Value per Equity Share after the Issue	8.95
Issue Price per equity share	10.00

Note: Net Asset Value per equity share represents "total assets less total liability as per the restated financial information as divided by the number of equity shares outstanding as at the end of year/period."

5. Comparison with other listed companies/Industry peers:

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

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of ₹10/- per equity share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the "Risk Factors" beginning on page no 17 of this prospectus and Financials of the company as set out in the "Financial Statements as Restated" beginning on page no 104 of this prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10/- per share and the Issue Price is at par of the face value i.e., ₹10/- per share.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Fone4 Communications (India) Limited
45/692-B, 1st Floor, Ashna Arcade,
Vylopilly Road, Thammanam Ernakulam
Ernakulam Kerala 682032 India

Dear Sirs,

Sub: Statement of possible Special tax benefit (“the Statement”) available to Fone4 Communications (India) Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the ‘Regulations’)

We hereby confirm that the enclosed annexure, prepared by “Fone4 Communications (India) Limited” (“**the Company**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 (‘Act’) as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India for inclusion in the Draft Prospectus (“DP”) / Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

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

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

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

- the Company or its Shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus / Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Signed in terms of our separate report of even date.

For Kapish Jain & Associates,

Chartered Accountants,

Firm Registration No: 022743N

Sd/-

Kapish Jain

Partner

Membership No: 514162

Place: New Delhi

Date: 7 April 2022

UDIN 22514162AGPTYC6851

Annexure to the statement of possible Tax Benefits

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

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

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

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

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

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Signed in terms of our separate report of even date.

For Kapish Jain & Associates,

Chartered Accountants,

Firm Registration No: 022743N

Kapish Jain

Partner

Membership No: 514162

Place: New Delhi

Date: 7 April 2022

UDIN 22514162AGPTYC6851

SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements as Restated” and related notes beginning on page no. 17 and 104 of this Prospectus.

INDIAN ECONOMY

INTRODUCTION

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

MARKET SIZE

- India’s nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22.,
- India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US\$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which will create ~1.1 million direct jobs according to the Nasscom-Zinnov report ‘Indian Tech Start-up’.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.

RECENT DEVELOPMENTS

Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 6.8 billion across 102 deals in November 2021 42% higher than November 2020. Some of the important recent developments in the Indian economy are as follows:
- India’s merchandise exports between April 2021 and December 2021 were estimated at US\$ 299.74 billion (a 48.85% YoY increase). In December 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.38 trillion (US\$ 18.42 billion) in January 2022. This was a 15% rise over a year ago.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 547.2 billion between April 2000 and June 2021.
- India’s Index of Industrial Production (IIP) for November 2021 stood at 128.5 against 126.7 for November 2020.
- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21
- Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US\$ 6.68 billion) in the Calendar year 2021.
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- On February 2022, Ms. Nirmala Sitharaman Minister for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) and an additional production of Rs. 30 lakh crore (US\$ 401.49 billion) in the next 5 years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022 Finance Minister Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G will be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to spectrum sharing.
- In the Union Budget of 2022-23 the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that Reserve Bank of India (RBI) will issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of “One Station, One Product” was also introduced.
- To boost competitiveness Budget 2022 has announced to reform the 16-year-old Special Economic Zone (SEZ) act to enhance competitiveness this will be done to make it compatible with the World Trade Organisation (WTO).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.
- In May 2021, the Government of India has allocated Rs. 2,250 crore (US\$ 306.80 million) for the development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.
- On January 29 2022 the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian Economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23, it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next 3 years.

- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

E-COMMERCE INDUSTRY REPORT

INTRODUCTION

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 111.40 billion by 2025 from US\$ 46.2 billion as of 2020. By 2030, it is expected to reach US\$ 350 billion. By 2021, total e-commerce sales are expected to reach US\$ 67-84 billion from the US\$ 52.57 billion recorded in 2020. India's e-commerce market is expected to reach US\$ 111 billion by 2024 and US\$ 200 billion by 2026. Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. As of July 2021, the number of internet connections in India significantly increased to 784.59 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.

MARKET SIZE

India's consumer digital economy is expected to become a US\$ 800 billion market by 2030, growing from US\$ 537.5 billion in 2020, driven by strong adoption of online services such as e-commerce and edtech in the country. With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada. According to NASSCOM, despite COVID-19 challenges/disruptions, India's e-commerce market continues to grow at 5%, with expected sales of US\$ 56.6 billion in 2021.

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

After China and the US, India had the third-largest online shopper base of 140 million in 2020. Indian consumers are increasingly adopting 5G smartphones even before roll out of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IAMAI and Kantar Research, India internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025. In October 2021, the e-commerce sales reached US\$ 4.6 billion, supported by the festival season in India

INVESTMENTS

Some of the major developments in the Indian e-commerce sector are as follows:

- In September 2021, CARS24, India's leading used car e-commerce platform, has raised US\$ 450 million in funding, comprising a US\$ 340 million Series F equity round and US\$ 110 million in debt from various financial institutions.
- In September 2021, Amazon launched Prime Video Channels in India. Prime Video Channels will give Prime members a seamless experience and access to a variety of popular video streaming services.
- In September 2021, Bikayi, a mobile commerce enabler, raised US\$ 10.8 million in a Series A funding round, led by Sequoia Capital India.
- Flipkart, India's e-commerce powerhouse, announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).
- In June 2021, Flipkart added a new fulfilment centre (FC) in Dankuni, West Bengal. The FC is spread over 2.2 lakh sq. ft. and has a potential to create ~3,500 direct jobs.
- In June 2021, Grofers, the grocery delivery start-up, reportedly entered the unicorn club, after raising US\$ 120 million from Zomato, the food delivery platform.
- In June 2021, Mastercard invested an undisclosed amount in Instamojo, a payments firm, to help digitise online stores and process their payments more seamlessly.
- In May 2021, Amazon introduced a video streaming service within its shopping app called MiniTV for users in India. MiniTV features web series, comedy shows and content on tech news, food, beauty and fashion.
- In May 2021, Flipkart strengthened its grocery infrastructure to cater to customer safety and demand across India. In this quarter, it is planning to further expand its fulfilment centre capacity for grocery by over 8 lakh square feet across Delhi, Kolkata, Chennai, Coimbatore and Hyderabad.
- In May 2021, Flipkart announced that it is in talks with sovereign funds, private equity majors and other investors to raise up to US\$ 2 billion at a valuation of US\$ 30 billion.
- In April 2021, Flipkart announced a commercial alliance with Adani Group to improve the company's logistics and data centre capabilities and create about 2,500 direct jobs.
- In April 2021, Flipkart announced to acquire Cleartrip, an online travel technology firm. Flipkart announced to purchase 100% shareholding of Cleartrip as the company expands its investments to broaden its digital commerce offerings for customers.
- In April 2021, Kirana commerce platform ElasticRun raised US\$ 75 million in a round led by existing investors—Avataar Venture Partners and Prosus Ventures.
- In March 2021, Amazon acquired Bengaluru-based retail tech start-up Perpule for Rs. 107.6 crore (US\$ 14.5 million).
- In March 2021, Purple, an online beauty store, raised US\$ 45 million from Sequoia Capital India, Verinvest, Blume Ventures and JSW Ventures.

- In March 2021, Captain Fresh, a B2B marketplace for seafood, raised US\$ 3 million in seed capital led by Matrix Partners India and Ankur Capital.
- In March 2021, the Confederation of All India Traders (CAIT), which represents 80 million traders and 40,000 trader associations, announced the launch of a mobile app for its e-commerce portal, 'Bharat E-market'. The association aims to get more small traders to sell online easily through smartphones.

GOVERNMENT INITIATIVES

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- As of November 2, 2021, the Government e-Marketplace (GeM) portal served 7.96 million orders worth Rs. 152,315 crore (US\$ 20.40 billion) to 55,433 buyers from 3.06 million registered sellers and service providers.
- As of October 11, 2021, the Government e-Marketplace (GeM) portal served 7.78 million orders worth Rs. 145,583 crore (US\$ 19.29 billion) to 54,962 buyers from 2.92 million registered sellers and service providers.
- In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizen.
- National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.
- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign companies operating e-commerce platforms in India to have permanent account numbers (PAN). It imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident ecommerce operator.
- In order to increase the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the Government in rolling out fiber network for 5G will help boost E-commerce in India.

ROAD AHEAD

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022.

E-retail market is expected to continue its strong growth - it registered a CAGR of over 35% to reach Rs. 1.8 trillion (US\$ 25.75 billion) in FY20. Over the next five years, the Indian e-retail industry is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US\$ 100-120 billion by 2025. According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at ~US\$ 2 billion in 2020. By 2025, it is expected to reach US\$ 20 billion, with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage.

CONSUMER DURABLES INDUSTRY REPORT

INTRODUCTION

Indian consumer durables market is broadly segregated into urban and rural markets and is attracting marketers from across the world. The sector comprises of a huge middle class, relatively large affluent class and a small economically disadvantaged class. Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favorable population composition and increasing disposable income.

MARKET SIZE

- Appliances and consumer electronics industry is expected to double to reach Rs. 1.48 lakh crore (US\$ 21.18 billion) by 2025.
- In May 2021, consumer durables output increased by 98.2%, compared with 70.3% decline in May 2020.
- Electronics hardware production in the country increased from Rs. 4.43 trillion (US\$ 72.38 billion) in FY19 to Rs. 5.47 trillion (US\$ 89.38 billion) in FY20.
- In FY20, TV penetration in India stood at 69%, driven by the DTH market.
- The total active subscriber base has increased from 69.57 million in March 2021 to 69.86 million in June 2021.
- As of FY20, electronics, domestic appliances and air conditioner market in India were estimated to be around Rs. 5,976 crore (US\$ 0.86 billion), Rs. 17,873 crore (US\$ 1.80 billion) and Rs. 12,568 crore (US\$ 2.56 billion), respectively.
- According to India Cellular & Electronics Association (ICEA), India has the potential to achieve a value of US\$ 100 billion in manufacturing of laptops and tablets by 2025.
- Smartphone shipments in India increased 8% y-o-y to reach 152.5 million units in 2019, thereby making it the fastest growing among the top 20 smartphone markets in the world.
- The headset market revenue in India is projected to reach >US\$ 77 million by 2027 at a CAGR of 4.7%, driven by rising adoption of wireless headsets among consumers.
- The dishwasher market in India is expected to surpass US\$ 90 million by 2025-26, driven by rising demand from metro cities such as Mumbai, Hyderabad, Delhi and Bangalore.
- According to a report by Care Ratings, consumer electronics and appliances manufacturers are set to increase their production by 5-8% in FY22, after witnessing a contraction in demand in FY21.
- According to RedSeer, India's consumer digital economy is projected to reach US\$ 800 billion by 2030, from US\$ 85-90 billion in CY20, driven by increase in online shopping.
- In September 2021, the Quick Estimates of Index of Industrial Production (IIP), for consumer durables stood at 126.4 (under the use-based classification).
- In October 2021, consumer goods demand rose by 15% in Navratri (from October 7 to October 14, 2021), due to an increased demand for smartphones, televisions, refrigerators and apparel during the festival.
- E-commerce companies reported sales worth US\$ 9.2 billion across platforms in October and November (2021), driven by increased shopping during the festive season. With festive season sales, Flipkart Group emerged as the leader with a 62% market share.

INVESTMENTS

According to Department for Promotion of Industry and Internal Trade, between April 2020 and March 2021 (FY21), exports of electronic goods from India stood at US\$ 11.1 billion. Between April 2000 and June 2021, electronic goods attracted FDI inflows of US\$ 3.2 billion.

Following are some recent investments and developments in the Indian consumer market sector:-

- In November 2021, PG Technoplast Pvt. Ltd. received government approval under the production-linked incentive (PLI) scheme for white goods in the air conditioner components category.
- In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited, for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into value added categories
- In September 2021, Blue Star Climatech, the wholly owned subsidiary of Blue Star, announced its plans to invest Rs. 550 crore (US\$ 73.45 million) over the next few years to set up a new manufacturing facility at Sri City, in Andhra Pradesh's Chittoor district.
- In September 2021, US-based consumer electronics brand Westinghouse Electric Corporation, forayed into the Indian market by launching a range of TV sets. The brand collaborated with its Indian licensing partner Super Plastronics Pvt Ltd (SPPL) and signed an exclusive licensing agreement with it.
- In September 2021, Blue Star Climatech, the wholly owned subsidiary of Blue Star, plans to invest Rs. 550 crore (US\$ 73.45 million), over the next few years, to set up a new manufacturing facility at Sri City, in Andhra Pradesh's Chittoor district.
- In September 2021, Airtel Digital TV, the DTH arm of Bharti Airtel, introduced Made-in-India high-definition set-top boxes for customers. The boxes are being manufactured in Noida, Uttar Pradesh, by Skyworth Electronics. Airtel plans to

fully transition to Made-in-India set-top boxes, including the high-end Airtel Xstream 4K Android TV box, by the end of 2021 and contribute towards local manufacturing and the Government of India's Atmanirbhar vision.

- In August 2021, Lenovo announced that it is considerably expanding its local manufacturing capabilities in India across product categories, such as PCs, laptops and smartphones, to satisfy rising consumer demand.
- In August 2021, Philips announced to invest Rs. 300 crore (US\$ 40.41 million) and recruit 1,500 employees in India. The company announced plans to expand its Pune operations to increase manufacturing in India.
- In July 2021, Godrej & Boyce announced entry into the dishwasher market and aims to capture 15% market share by FY22. The company is focusing on key markets such as Mumbai, Hyderabad, Bengaluru and Delhi and plans to expand to tier II cities.
- G.O.A.T Brand Labs raised funds worth US\$ 36 million from Flipkart Ventures and Tiger Global in August 2021. The company aims to collaborate and invest in digital brands and offer plug-and-play platform to accelerate growth. In line with this, the company is focusing on brands across areas such as home & kitchen, beauty and personal care.
- Indian markets such as Hyderabad is expected to become a manufacturing smart TV. The market is also witnessing rising focus of players (for example, Radiant Appliances and Electronics (REA)) to manufacture LED TVs for global markets.
- TCL Group announced, in June 2021, to start manufacturing handsets and TV display panels (from the fourth quarter) in Andhra Pradesh. The company plans to recruit 1,000 employees. This development was in line with the company's plan to invest ~US\$ 219 million to manufacture display modules in the country.
- In April 2021, Godrej Appliances announced an investment of Rs. 100 crore (US\$ 13.6 million) across two of its manufacturing facilities—Shirwal in Maharashtra and Mohali in Punjab—to expand its production capacity for air-conditioners (to 800,000 units) by 2025.
- In April 2021, Zetwerk Manufacturing, a B2B online marketplace, announced that it is entering the apparel and consumer durable sectors amid increased demand and supply chain disruptions after the outbreak of COVID-19.
- Super Plastronics, a brand licensee for Kodak HD LED TVs for India, announced in March 2021 that it will invest Rs. 300 crore (US\$ 40.26 million) to strengthen its capabilities in IoT technologies and tap emerging opportunities in the smart home devices market.
- In January 2021, Panasonic India announced its plan to double its residential air-conditioning business by 2024.
- In January 2021, the Indian smartphone firm, Lava Mobiles released the world's first customisable smartphone that enables users to select components, such as camera, memory, storage space and colour, from the company's website on their own.

GOVERNMENT INITIATIVES

- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD), for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme, to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- In September 2021, FICCI Electronics Manufacturing Committee Chairperson Mr. Manish Sharma said that ~52 companies have applied for availing PLIs for white goods makers, proposing an investment of ~Rs. 6,000 crore (US\$ 813 million) in manufacturing components for air conditioners (ACs) and LED lights. Most of these investments are expected to happen in the next 2-3 years; following this, local production for components for ACs and LED lights is expected to start.
- In July 2021, the government approved 14 companies under the production linked incentive (PLI) scheme for IT hardware. Over the next four years, these companies are expected to fuel total production of >US\$ 21.64 billion.
- In June 2021, the government extended the production-linked incentive (PLI) scheme for large scale electronics manufacturing by a year (until FY26), giving a boost to the industry.
- The Indian government has been encouraging to consumer durable brands in India to 'Make in India' thereby expecting they should be self-reliant for the future; consumer too are showing an affinity towards homegrown products.
- The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US\$ 190 billion by 2025, out of which 600 million handsets valued at US\$ 100 billion are likely to be exported.
- The Government of India has allowed 100% Foreign Direct Investment (FDI) under the automatic route in Electronics Systems Design and Manufacturing sector. FDI into single brand retail has been increased from 51% to 100%; the government is planning to hike FDI limit in multi-brand retail to 51%.
- In September 2020, the Government of India planned to offer production-linked incentives worth Rs. 1.68 trillion (US\$ 23 billion) to companies such as consumer appliance, automobile and solar panel to attract companies to establish manufacturing plants in India.
- On November 11, 2020, Union Cabinet approved the Production-Linked Incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities, exports and promote the 'Atmanirbhar Bharat' initiative.
- Mobile phone exports in India are expected to reach a record of US\$ 1.5 billion in 2020, of which 98% are expected to be smartphones.
- The PLI scheme, which has been approved for 16 electronics firms, including 10 manufacturers of mobile handsets, would further improve India's role in the global mobile market and complement the goal of making the country a global mobile production hub for manufacturers.

ROAD AHEAD

Indian appliance and consumer electronics (ACE) market is expected to increase at 9% CAGR to reach Rs. 3.15 trillion (US\$ 48.37 billion) in 2022. Demand growth is likely to accelerate with rising disposable income and easy access to credit. Increasing electrification of rural areas and wide usability of online sales would also aid growth in demand. The government anticipates that the Indian electronics manufacturing sector will reach ~US\$ 300 billion (Rs. 22.5 lakh crore) by 2024–25.

***Disclaimer:** This information has been collected through secondary research and IBEF is not responsible for any errors in the same.*

OUR BUSINESS

Fone4 Communications (India) Limited – *An online E-commerce Electronics outfit* commenced its business in the year 2014 promoted by its visionary promoter Mr. Sayyed Hamid and headquartered at Cochin, Kerala. Inspired by the growth in the Online E-Commerce segment particularly for electronics and electricals gadgets, our Company developed a robust Technological Platform www.fone4.in, wherein customers could buy their desired products through online E-Commerce with attractive offers and more particularly during festive and other seasons. Our company has a wide range of offerings through both online as well as offline platform for electronic gadgets and accessories for Smart Phones, Laptops, Smart Television etc on the likes of Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita, TCL, LG, Sansui etc.

Our Company to boost the online E-commerce sales in the State of Kerala, gradually started opening up retail stores at strategic locations and presently the company has 25 showrooms spread at: (Calicut (02), Cochin (06), Kollam (02), Kottayam (02), Malappuram (01), Palakkad (07), Thrissur (02), Trivandrum (03)). Whilst the retail stores are located at prominent locations to attract greater footfalls but the overall idea was to effectively deliver the products booked through online. Our company has emerged as one of the most trusted online platform outfit for purchase of Electronics gadgets and accessories in the State of Kerala.

Though E-Commerce has no boundaries but to be more effective the delivery logistics chains play a key role in this model to be more successful. Our Company has a plans to expand the base to the entire Southern Region by either having its own Retail Stores or through a franchise model. The presence in the Southern Region will make our company as well as our E-Commerce model a One Stop Techno Hub for buying leading brands of electronics gadgets and accessories.

Our Company has tied-up with several reputable brands under the sub-dealership arrangement, to showcase their products, both at our Retail Outlets as well as on our online E-Commerce portal.

Our Company plans to expand the base through strategic acquisition in the similar field and in the logistics arena. Our Company also has plans to strengthen our Technological platform so that more and more innovative tools can be made available to customers at large at a most competitive pricing.

Awards & Achievements

Our Company and its Managing Director, Mr. Sayyed Hamid has received many awards from the Government of Kerala, News Media and major manufacturers including:

- *Best Entrepreneur of Kerala* in 2016 by the Govt. of Kerala, awarded by the Former Chief Minister of Kerala, Shri. Oommen Chandy.
- *Innovative Entrepreneur of the Year* in 2016 by Reporter Business Reliability Awards, 3rd Edition.
- *Consumer Protection Award* in 2018 for FONE4 Communications India Pvt. Ltd. by Govt. of Kerala.
- Excellence Award by Apple (India) in 2017 for the Highest Attachment Rate of Apple products.
- Certificate of Achievement award by SAMSUNG for the outstanding contribution.
- Member of The Presidents Club by SAMSUNG (Most desirable and distinguished membership reserved for a select few).
- Top Dealer Award by OPPO for the year 2016 – 17.
- Premium Club Partner Award by VIVO.
- Best Dealer Partner Award by Xiaomi for the outstanding sales of MI phones.
- Best Digital Dealer Award by BAJAJ FINSERV.
- Premium Retail Partner Award by PANASONIC India.

Our knowledgeable staff are thoroughly trained in customer relations to focus on the needs of individual customers and building a loyal customer base. FONE4 adheres to best industry practices and customer relations standards, which makes the Company one of the most trusted gadget store brand in the state.

Main revenue sources

Our retail and e-commerce segments contributes to 95% and 5% respectively of our revenue from operations as on March 31,2021 and 93.50% and 6.50% respectively as on September 30, 2021

Products portfolio

Our product range currently includes Smart Phones, Laptops, and Smart TVs from major manufacturers such as Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita, TCL, Xiaomi, LG, and Sansui. The company offers a wide range of products to customers under different brand names.

The best selling products and brands are Samsung, Vivo, Oppo, Xiaomi which contribute approximately 79% of the company's revenue.

Targeted end users

Our Target end users are Household, offices and other industries.

Income categories targeted (premium, mid-range and budget products)

We market our products through its network of **our own showrooms all over the state**. As on date of this prospectus, our Company has **25 showrooms** in all major cities in Kerala. The retail stores offer consumer electronics goods to customers for personal and commercial use.

Our Company sells a wide range of goods offering premium, mid-range and budget-friendly options in every category.

Financial snapshot as per Restated Financial Statement:

(Rs. In Lakhs)

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Total Share Capital	575.00	175.00	175.00	175.00
Total Net Worth	406.90	(1.74)	8.27	106.05
Total Revenue	4,212.57	6,380.25	5,752.19	15,242.89
EBITDA	127.25	268.33	144.42	232.39
Profit After Tax	8.64	(10.00)	(97.78)	(155.35)
Face Value per equity shares	10/-	10/-	10/-	10/-
Earnings Per Share (Basic & Diluted)	0.15	(0.57)	(5.59)	(8.88)
Net Asset Value per equity share	7.08	(0.10)	0.47	6.06
Total Borrowings	261.57	2,087.97	4,283.66	2,411.98

Our competitive strengths

➤ Strategic location and facilities

The company has 25 showrooms in Kerala where its products are displayed for customers to try before purchasing them. Our stores are strategically located in areas of high foot traffic drawing customers at all times of the day, on weekdays and weekends.

The company has a centralised warehouse, located in the registered office and we use trusted courier agency for stock movement. Our cost efficient supply chain management results in a significant reduction in our operational costs. With our experience, we are able to procure our raw materials at a competitive price. The location of our current facilities gives us a significant competitive cost advantage in terms of lower logistical costs.

Registered Office:

1st Floor, 45/692-B, Ashna Arcade, Vypolly Road, Thammanam, Ernakulam, KL 682032 IN.

Location of Showrooms:

1. Calicut, Arayidathupalam
2. Calicut, Foreign Bazar
3. Cochin, Edapally
4. Cochin GCDA
5. Cochin, Lulu Mall
6. Cochin, MG Road
7. Cochin, Penta Menaka

8. Cochin, Thripunithura
9. Kollam, Kadappakada
10. Kollam, Pallimukku
11. Kottayam, Shastri Road
12. Kottayam, Thirunakkara
13. Malappuram, Kondotty
14. Palakkad, Mannarkad
15. Palakkad, Ottapalam
16. Palakkad, Pattambi
17. Palakkad, Stadium Bypass
18. Palakkad, TB Road
19. Palakkad, Tharekkad
20. Palakkad, Vadakkanchery
21. Thrissur, East Fort
22. Thrissur, Kuruppam Road
23. Trivandrum, Kesavadasapuram
24. Trivandrum, Lulu
25. Trivandrum, Overbridge

➤ ***Wide distribution and marketing network***

For deeper market penetration, establishment of strong chain store network is an integral part of our business operations. We have been working tirelessly on expanding our chain store network. At present our company has an extensive network of 25 stores in most of the major cities in the state of Kerala. As we continue to grow, we need to maintain strong distribution network enabling us to achieve market penetration.

➤ ***Diversified products portfolio and innovation***

The industry is highly exposed to the risk of frequent change in customer preference for designs trends and obsolescence of technology. We insulate ourselves from these changes by keeping pace with changing preference trends and stocking new and innovative designs and products. Our Company does not have slow moving products. Also, it has a buy back arrangement with manufacturers if a product is not moving as expected.

We believe our comprehensive range of products enables us to capitalize on growth opportunities and demand in the electronic gadgets and accessories market.

Competition

Our Company is into retail selling of consumer electronics, and have to compete with unorganized players as well as organized established players in the industry with better financial position, market share, product ranges, human and other resources. Branding and marketing are the key factors in the industry where larger players are in a better position to market their products.

For our share in the consumer electronics market we compete with large number of organized players like QRS and Oxygen Digital Shop, myG, TecQ based in Kerala and other national brands like Reliance Digital and Croma.

We have continued competing vigorously to capture more market share and manage our growth in an optimal way. To that effect, we have been launching newer products across different grades and quality in the market to cater and penetrate in newer society segment and geographical region.

About the key management Personnel

Promoters

Mr. Sayyed Hamid, is an entrepreneur from Kerala settled in Kochi. He was raised in Kochi, Calicut and the Gulf and holds a certificate in Automobile Engineering from Kuttukaran Institute for Human Resource Development and an MBA in Sales & Marketing from IIBM Institute of Business Management.

His journey as a businessman started from scratch in 1997 from a small shop that he personally managed along with two assistants, selling electronics gadgets, in Kochi's Penta Menaka. He grew three businesses from start-ups to billions in annual sales through effective business planning, creative sales techniques, and innovative marketing.

He has excelled in making operational improvements based on tracking, analysis and mapping income generating strategies. This has led to exponential growth in revenue for the businesses. Right from the days of his first store, he brought in a personal touch to customer satisfaction and after-sales service.

Mr. Sayyed Hamid is recognized by clients and colleagues as a consummate professional with a determined business plan, mission and vision. He has sourced top-quality candidates to fill key roles, set company culture by facilitating communication and build cohesion between team members. Over the last 15 years, with astute business acumen and foresight, he has diversified into Retail, Hospitality and Distribution businesses across South India.

As the Managing Director of FONE4, Mr. Sayyed Hamid, has received the following awards from the Government and Media:

- *Best Entrepreneur of Kerala* in 2016 by the Govt. of Kerala, awarded by the Former Chief Minister of Kerala, Shri Oommen Chandy.
- *Innovative Entrepreneur of the Year* in 2016 by Reporter Business Reliability Awards 3rd Edition.
- Mr. Sayyed Hamid holds key positions in other companies, including
- *Smokin Burg Pvt. Ltd.* (Managing Director) A chain of four (04) state of the art retail outlets in Bangalore and Thrissur.
- *Western Marine Services LLC* (Managing Director), Ship building and ship maintenance works headquartered in Dubai.
- *Future Events Enterprises* (Proprietor) A leading distribution company in Kerala for electronic accessories.
- *Future Events Enterprises Pvt. Ltd.* (Director) A leader in digital advertisement in buses and other transit modes in Kerala.

Human Resources (to build a successful organization)

Our Company has appointed an experienced management team for each of its domain, where finance, secretarial, sales and marketing team is headed by personnel with requisite technical and commercial knowledge. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. As on date of the prospectus, there are about 43 direct employees in the payroll of the company other than Directors, the department-wise division of our employees is as under:

DEPARTMENT	NUMBER OF EMPLOYEES
Store Manager	22
Chief Financial Officer (CFO)	1
Company Secretary	1
Accounts Department	3
Area Business Manager	3
Purchase Department	5
Customer Care Department	3
HR Manager	1
Sales Head	2
Marketing Department	2
Total	43

Human capital is one of the key resources which helps in the success of the company and the company has invested in recruiting experienced professional to run its day-to-day operations.

We continue to build organizational capabilities with a clear focus on functional learning priorities to make our people future-fit and purpose-led. We strive continually to be a diverse and inclusive organization, thereby enabling our people to bring their real selves to work. Our ambition is to make sure all our people can re-skill, up-skill, work more flexibly and adapt to the changing world of work.

We have started an extensive leaders training program and are committed to building a strong, balanced managerial team to meet future challenges.

Insurance

Our company maintains current Insurance coverage through the Compact Insurance Policy (a package policy for commercial establishments) of the United India Insurance Company Limited for all its retail stores, located in Calicut (02), Cochin (06), Kollam (02), Kottayam (02), Malappuram (01), Palakkad (07), Thrissur (02), Trivandrum (03).

The policies cover all normal risks associated with our operations and is in accordance with the industry standards. Our Insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure that adequate insurance coverage is maintained.

Security

Our company has entered into security agreements with local security companies for providing security service at our store facilities.

Health and safety

We are committed to training and safety of our employees. Our goal is to provide an injury and accident free work environment by applying our safety management systems. Our policies, procedures and training programs have all been developed in line with recognized industry standards, supplemented by input from management and employees.

COVID

As the country navigated through the COVID crisis, the Government and the Reserve Bank of India took effective measures to support a robust economic recovery. The impact of COVID-19 was more pronounced in metros and bigger towns, resulting in a slower recovery in urban markets. Global trade dynamics, volatile commodity cycles, and climate concerns continue to create challenges and uncertainties for companies and categories across the spectrum. New technologies are changing the landscape of the consumer goods market, bringing opportunities for brands and consumers alike. Consumers are shopping through more diverse channels and smaller local brands, as well as digital-first brands, are increasingly entering the market. In these times, as the consumer and channel landscapes rapidly evolve, we continue to be agile and responsive to leverage market opportunities and deftly navigate through the challenges.

Business Strategy

➤ Increasing trade/sales

We currently operate 25 stores in all major towns in Kerala. Our plan is to make 100 stores operational in Kerala by the end of 2023 by opening retail stores in Tier 2 and Tier 3 towns. This will enable us to grab a 10% of the Kerala market size.

We intend to expand our foot print across all states in South India, as an initial step we will start with one store in all major towns in South India, then expanding to Tier 2, Tier 3 & Tier 4 towns. Our plan is to reach 400 Retail Stores and be rated as the most trusted electronics goods retail chain in South India by our customers.

We currently operate at around 80 % of our overall capacity. However due to complete lockdown due to COVID, our stores were operative for a period of 16 months during the last two years.

Our Company further intends to increase the capacity utilization and reduce the overhead costs which will spread out over time. Further, in advent of the post-GST era and implementation of e-way bill, the consumer electronics retail industry which is largely dominated by unorganized players will witness some shift towards organized and established players, increasing their focus on lower middle class segment.

➤ Upgrade & Renovation

Our strength has been the quality and the diverse range of products which we offer to our customers. Our company has been upgrading and renovating the retail outlets at regular intervals with a view of operating better operational efficiency and customer experience.

➤ Brand building

The industry is seeing a shift in market share from the unorganized to the organized sector with introduction of GST and e-way bill implementation. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands.

With an established presence in the premium segment with quality products, we intend to increase our presence in lower middle class segment. Unorganized players have been catering to lower middle class segment which is expected to shift to organized players.

➤ **Targeting the Middle Class**

Looking to the vast resources and riches of the state, as described above, the Management had the vision to incorporate a multi-business venture, which acts as a one-stop solution to selected class(es) of people while designing Business Strategies, Product range, and customer reach; The Middle Class.

This class often looks for reasonable value/budget alternatives to high-quality products of similar quality. Often, this means consuming and using deteriorated and lower quality products. Our Management, who already had rich experience in the consumer electronic goods sector, reached a conclusion in a multi-product business venture, where consumers get a one-stop solution to all their needs at a reasonable price. As a result, with the passage of time, by utilizing their network and resources, quite new and unique products having a rare presence in the market were also marketed after much research and analysis; a wide range of products is currently made available, ranging from budget to premium quality smart phones, laptops, TVs and accessories.

➤ **Strengthening Distribution Network**

Since the industry is highly unorganized, a good distribution network is essential in this industry. We are focusing on expanding on our distributorship network by leveraging our Market skills and Relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We are planning to make our products available in all parts of south India gradually by expanding our network and reaching new cities and locations. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

➤ **Maintaining edge over competitors**

We intend to continue to enhance scale in existing products and introduce new products across high end and mid segment to capitalize on the opportunity to cater rising acceptance and demand of new products. Our wide product range provides us competitive edge over our competitors. In order to maintain our competitive edge we will continue to add newer products to our products portfolio.

We purchase all our inputs from Manufactures and Tier-1 dealers at a competitive rate on credit for 15 days, help us to satisfy our customers by offering better price, discount and promotional offers etc.

➤ **Improving operational efficiency**

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over our peers. We believe that this can be done through continuous process improvement, customer service and technology development.

➤ **Supply chain management & systems**

Supply chains are increasingly facing major disruptions, with the impact of COVID-19 at the top of the list. Digital technologies are affecting every aspect of how companies run their businesses. To succeed in this evolving marketplace, companies need to transform linear supply chains into autonomous supply chain ecosystems. Quality and Inspection Solution drives process efficiency by integrating all aspects of Quality and Inspection Management, including end-to-end tracking within a single platform. It brings together all stakeholders with a “Single Source of Truth”, thus, reducing effort spent in unproductive tasks and aiding efficient utilization of resources.

➤ **Building a professional organization**

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

Trading process

Our Company is engaged in multi-brand retail selling of consumer electronics goods such as Smart Phones, Smart TVs, Computers, Peripherals and accessories, from manufacturers like Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita, TCL, Xiaomi, LG, and Sansui.

Our trading process is shown by the following chart:

Manufacturer -> Distributor -> FONE4 HO -> FONE4 Retail Stores/E-commerce -> Customers

FONE4 Communications India Private Limited started E-Commerce business for financial year 2020-21. In the first year e-commerce added 5% additional revenue to our total turnover. This year that has increased to 6.5% as per sept 2021 closing. We are operating e-commerce only through our Website www.fone4.in. We offers all type of payment modes like EMI, COD, Debit and Credit card, UPI and Net Banking etc. to our customers. Customers can have an easy go purchase option through our website due to its simple and responsive web design. Currently in India 30 to 35% of the total market size is through e-commerce. We understanding the business scenario, FONE4 has a long term goal to capture the ecommerce segment which can generate an additional 30% revenue to the company through E-Commerce.

Our trading process is shown by the following chart:

Customer Order through Web site → Payment through different payment mode → Order processing Fone4 HO → Dispatching material through trusted courier service → Customer receives the item within the promised time.

Land and property

Facilities

Our Company has currently taken on rent the following facilities:

Sl. No.	BRANCH	ADDRESS OF THE PROPERTY	OWNER	RENT PERIOD	RENTAL CONSIDERATION / LEASE AND LICENSE	CURRENT USAGE
1	4 IN BAZAR	DOOR NO 6/437, KALATHILKUNNU AMSON, KOZHICKODE TALUK	FOUSIYA	4/4/2021 TO 3/4/2022	YES	100%
2	ARAYADATHPALAM	DOOR NO 17/777A, GROUND FLOOR,POYYIL TOWER,MAVOOR ROAD,CALICUT 1	A K SAJITH	17/07/2020 TO 16/07/2023	YES	100%
3	EDAPPALLY	OMER SQUARE,TOLL JN, GROUND FLOOR,DOOR NO 34/664,EDAPPALLY	K M UMMER	01/8/2020 TO 31/7/2025	YES	100%
4	GCDA	CC 40/1603D 1 (67/4623A), GROUND FLOOR, GCDA BUILDING, MENAKA, ERNAKULAM	ABDUL KAREEM PH	14/10/2021 TO 13/8/2022	YES	100%
5	ERNAKULAM LULU	FONE4, LULU MALL,NH 47, EDAPPALLY, COCHIN 682024	LULU GROUP	01/10/2020 TO 31/9/2025	YES	100%
6	MG ROAD	DOOR NO 62/5149, GROUND FLOOR, NEAR METRO STATION,OPP MAHARAJAS GROUND,ERNAKULAM	RAJARAM GOVINDHA SHENOY	15/08/2020 TO 31/12/2022	YES	100%
7	PENTA MENAKA	40/2908B44,PENTA BUILDING,GROUND FLOOR,SHANMUGAM ROAD,ERNAKULAM	T S RASHID	20/6/2021 TO 19/05/2022	YES	100%
8	THRIPUNITHURA	EAST FORT JN, GROUND FLOOR, THRIPUNITHURA,ERNAKULAM DIST	REGHUNADH SHENOY	1/7/2015 TO 30/06/2024	YES	100%
9	HEAD OFFICE	VYLOPILLY LANE, ASHNA ARCADE, FIRST FLOOR, THAMMANAM PO,KOCHI	MOHMD NOUSHAD V	5/8/2020 TO 4/8/2025	YES	100%
10	KADAPPAKADA	NARAYANAN SHOPPING COMPLEX,KADAPPAKADA PO,KOLLAM -8	JAGANNATH V	25/7/2020 TO 24/7/2023	YES	100%
11	PALLIMUKKU	1/1219/452A,PUNNAVILAYIL BUILDING,PALLIMUKKU JN,VADAKKE VILA PO,KOLLAM 691010	NISSAMUDHEE N	24/10/2020 TO 23/10/2023	YES	100%



12	SASTHRY ROAD	DOOR NO IX/572/LB,SASTHRY ROAD,KOTTAYAM,686001	PREMKUMAR HEDGE	01-08-2021 TO 30/6/2022	YES	100%
13	THIRUNAKKARA	GROUND FLOOR,POST OFFICE ROAD,THIRUNAKKARA,KOTTAYAM	RAMACHANDRAN	24-07-2020 TO 23/7/2023	YES	100%
14	KONDOTTY	KP MALL, NEAR PRIVATE BUS STAND, KONDOTTY,MALAPPURAM DIST	ABDHUL GAFOOR	01/05/2021 TO 30/3/2022	YES	100%
15	MANNARKKAD	4/362,KALI BUILDING KALI CORNER,OPP POLICE STATION,MANNARKKAD,PALAKKAD DIST	AYYAPPAN TK	8/4/2020 TO 7/4/2023	YES	100%
16	OTTAPALAM	9/82, GROUND FLOOR,WHITE MOUNT BUILDING,SHORNUR RD,OTTAPALAM,679101	MAHENDRA KUMAR	01-07-2021 TO 1/6/2022	YES	100%
17	PATTAMBI	9/1398,GROUND FLOOR,HIGNWAY MALL,PERINTHALMANNA ROAD,MELEPATTAMBI,PATTAMBI	AMEER ALI	20/5/2021 TO 19/04/2022	YES	100%
18	STADIUM BYEPASS	NO 15/513, P& G TOWERS,STADIUM BYEPASS ROAD,PALAKKAD 678001	PN GOPALAKRISHNAN NAIR	15/5/2021 TO 14/4/2022	YES	100%
19	TB ROAD	M11/1157(3) NMR COMPLEX,TB ROAD,NEAR EMKE SILKS, PALAKKAD 678014	IBRAHIM SHAHEED	22/03/2021 TO 21/02/2022	YES	100%
20	THAREKKAD	NO 10/44, AL AIN BUIDLING,COLLEGE ROAD,THAREKKAD,PALAKKAD 678001	M ISMAIL FAROOQ	1/11/2021 TO 1/10/2022	YES	100%
21	VADAKKANCHERRY	12/1042, PREMIUM MARKET,OPP POLICE STATION, MG ROAD,VADAKKANCHERRY, PALAKKAD	K M JALEEL	4/7/2021 TO 3/6/2022	YES	100%
22	TRVM LULU MALL	UNIT NO J14,LULU MALL,ANAYARA, TRIVANDRUM 695029	LULU GROUP	10/1/2022 TO 10/1/2023	YES	100%
23	OVERBRIDGE	TC 28/2321,GROUND FLOOR,SHA BUILDING, MG ROAD,TRIVANDRUM 695023	S MAHEEN	6/2/2017 TO 6/2/2026	YES	100%
24	KESAVADASAPURAM	TC 3/1791/22,GROUND FLOOR,CD TOWER,NEAR BIG BAZAR,KESAVADASAPURAM,TRIVANDRUM 695004	TH NOUSHAD	6/2/2017 TO 6/2/2026	YES	100%
25	EAST FORT	5/460/8,FIRST FLOOR,CHALDEAN SYRIAN CHURCH BUILDING,EAST FORT,THRISSUR 680001	CARDINAL SYRIAN CHURCH	1/1/2021 TO 30/11/2022	YES	100%
26	KURUPPAM ROAD	25/1560,PRESTIGE BUILDING,KURUPPAM ROAD,THRISSUR 680001	MOHMD SHAMEER	1/12/2021 TO 31/10/2022	YES	100%

Some of the agreements have expired which is under process of renewal.

Intellectual property rights

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of the Trademark application are as under:

Pics of logos and trademarks

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1.		35	Word Mark	Fone4 Communications (India) Private Limited	2757428	17/06/2014	Refused
2.		35	Word Mark	Sayyed Hamid	4722182	28/10/2020	Accepted & Advertised

KEY INDUSTRY REGULATIONS AND POLICIES

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 various legislations, including rules and regulations promulgated by the regulatory bodies 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. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.

*In addition to what has been specified in this prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “**Government and Other Approvals**” beginning on page no 140 of this prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Approvals**” beginning on page number 140 of this prospectus.

INDUSTRY RELATED LAW:

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

Shops and Commercial Establishments Act (Kerala):

The Company has its registered office and stores in Kerala, India. Accordingly, the provisions of the Kerala Shops and Establishments Act, 1960 are applicable to the Company. The provisions of the Act regulate the Conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

The Industrial Relations Code, 2020:

The new Code passed by the Parliament replaces and Consolidates three labour legislations, being The Industrial Disputes Act, 1947, The Trade Unions Act, 1926, and The Industrial Employment (Standing Orders) Act, 1946. It aims at consolidating and amending the laws relating to trade unions, conditions of employment in industrial establishments, investigation and settlement of industrial disputes. While it retains several provisions from the existing legal framework regarding retrenchment, lay-off, closure, industrial disputes, trade union recognition, etc., new requirements have been introduced to simplify as well as add more structure to the existing regulations.

The Code on Wages, 2019:

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc, while the State Government is empowered to take such decisions in relation to other employments.

The Code on Social Security, 2020:

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers. In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

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 104 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 Central Government 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.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- The Employees Compensation Act, 1923 ("EC Act") and the rules framed thereunder
- Minimum Wages Act, 1948 ("MWA") and the rules framed thereunder

Prevention of Black Marketing and Maintenance of Supplies Act, 1980:

Prevention of Black Marketing and Maintenance of Supplies Act, 1980. It is an Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to

manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019, along with the Consumer Protection (E-Commerce) Rules, 2020 (“COPRA”) has superseded Consumer Protection Act, 1986 and came into force on July 20, 2020 and July 23, 2020, respectively. The COPRA has been promulgated to provide for the protection of consumers’ interests, to establish authorities for timely and effective administration, to settle consumers’ disputes and other connected matters. It provides for establishment of the Central Consumer Protection Council to render advice on the promotion and protection of consumers’ rights and the Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices, and false or misleading advertisements which are prejudicial to the interests of public and consumers. The Consumer Disputes Redressal Commissions at the district, state, and national levels are also established under the COPRA. The COPRA also governs the online sale of goods, services, digital products by entities which own, operate, or manage digital or electronic facility or platform for electronic commerce, all models of e-commerce (including marketplace or inventory based), and all e-commerce sellers. It lays down the duties and liabilities of E-Commerce entities and e-commerce sellers.

ENVIRONMENTAL REGULATIONS:

Our Company is subject to Indian laws and regulations concerning environmental protection. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, the Water Access Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. Further, environmental regulations require a company to file an Environmental Impact Assessment (**EIA**) with the State Pollution Control Board (**PCB**) and the Ministry of Environment and Forests (**MEF**) before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact that a particular project might have on the environment is carefully evaluated before granting clearances. When granting clearance, conditions may be imposed and the approving authorities may direct variations to the proposed project.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (-the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (-the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Pollution Cess Act”)

The Water Pollution Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries to augment the resources of the central pollution control board and state pollution control boards. The Water Pollution Cess Act also provides for a rebate to the extent of 25% of the cess payable, in favour of persons who, being liable to cess under the Water Pollution Cess Act, install any plant for the treatment of sewage or effluents. However, this rebate is not applicable to persons consuming water in excess of the maximum prescribed quantity or who fail to comply with the provisions of section 25 of the Water Act or who fail to adhere to standards laid down by the Central Government under the Environment Act.

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008:

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (**Hazardous Wastes Rules**), which superseded the Hazardous Wastes (Management and Handling) Rules, 1989, state that the occupier will be responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment. The hazardous wastes generated in the establishment of the occupier should be sent or sold to a recycle or re-processor or re-user registered or authorized under the Hazardous Wastes Rules or should be disposed of in an authorized disposal facility. The Ministry of Environment and Forests has been empowered to deal with the trans-boundary movement of hazardous wastes and to grant permission for transit of hazardous wastes through any part of India. No import of hazardous waste is permitted in India. The State Government, occupier, operator of a facility or any association of the occupier will be individually or jointly or severally

responsible for, and identify sites for, establishing the facility for treatment, storage and disposal of hazardous wastes for the State Government.

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with an aim to increase minimum thickness of plastic carry bags from 40 to 50 microns and stipulate minimum thickness of 50 micron for plastic sheets. It also aims at facilitating collection and recycling of plastic waste and delegates responsibility to the waste generators for waste segregation and disposal. The recently notified Plastic Waste Management (Amendment) Rules, 2018 also prescribes a central registration system for the registration of the producer/importer/brand owner.

INTELLECTUAL PROPERTY LEGISLATIONS:

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trademarks Act, 1999
- Designs Act, 2000

Indian Patents Act, 1970:

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957:

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematography films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Designs Act, 2000

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

Trademarks Act, 1999 (“TM Act”):

The Trademarks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

FOREIGN INVESTMENT LAWS:

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy (“Consolidated FDI Policy”) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) from time to time.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“SEBI FPI Regulations”), investments by Foreign Portfolio Investors (“FPIs”) in the capital of an Indian company under the SEBI FPI Regulations are subject to certain limits individual holding limits of 10% of the capital of the company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a resolution of the company’s board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and license to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offense or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999 and regulations there under

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

As laid down by the FEM Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEM Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. The RBI, in exercise of its power under FEMA, has notified the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 which deals with exports, the declaration to be filed, the realization of export value, etc. The RBI amended these Regulations by introducing the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 (the “Amendment Regulations”) through a notification dated January 08th, 2021 to introduce certain exemptions related to the aviation sector through the Amendment Regulations. In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and consequent to the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, the Reserve Bank has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instrument) Regulations, 2019 (“Principle Regulations”) relating to mode of payment and reporting requirements for investment in India by a person resident outside India. The RBI has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Amendment) Regulations, 2020 whereby amendment has been made to Regulation 3.1 of the Principle Regulations which deals with the Mode of Payment and Remittance of sale proceeds in which Schedule II and Schedule VII was substituted. The RBI, also notified the Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2015 to regulate opening and maintenance of foreign currency accounts in and outside India by a person resident in India. The RBI passed a notification dated February 27th, 2019 amending the regulations by passing the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2019 amending regulation applicable to authorized dealers.

The Foreign Direct Investment

The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“DPIIT”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

GENERAL CORPORATE COMPLIANCE:

The Companies Act 1956 and the Companies Act, 2013:

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

EMPLOYMENT AND LABOUR LAWS:

Employees Deposit Linked Insurance Scheme, 1976:

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995:

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

TAX RELATED LEGISLATIONS

Goods and Service Tax (GST):

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cess relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

OTHER LAWS

Municipality Laws:

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Police Laws:

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

Approvals from Local Authorities:

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

The Indian Contract Act, 1872:

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Transfer of Property Act, 1882:

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908:

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

OUR HISTORY AND CERTAIN CORPORATE MATTERS

History and Background:

Our Company was started in 2014 by Mr. Sayyed Hamid with headquarters in Cochin, Kerala. Our Company was originally incorporated as “**FONE4 Communications (India) Private Limited**” on May 8, 2014 vide certificate of incorporation bearing Corporate Identity No. U51506KL2014PTC036625 under the provisions of Companies Act, 2013 issued by the Registrar of Companies Kerala and Lakshadweep. Subsequently, the company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC Ernakulam, consequent upon conversion from Private Limited to Public Company dated March 9, 2022 in the name of “**FONE4 Communications (India) Limited**”.

Our Company is one of the fastest growing Multi Brand Retail Chain outlet in Kerala and is engaged in the sale of consumer electronic gadgets and accessories including Smart Phones, Laptops, and Smart TVs from major manufacturers such as Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita,TCL, Xiaomi, LG, and Sansui.

FONE4 has carved a niche for itself as a reputed provider of high quality products with its innovative business and retail ideas. Currently, FONE4 has 25 showrooms in Kerala (Calicut (02), Cochin (06), Kollam (02), Kottayam (02), Malappuram (01), Palakkad (07), Thrissur (02), Trivandrum (03)). All the stores are located in areas with high foot traffic which attracts customers throughout the day, every day of the week.

Year	Key Milestones
2014-15	Company incorporated
	Achieved Turnover of Rs.17.97 Crores
2015-16	Award presented to Mr. Sayyed Hamid for "Adipoli mobile app"- Dec 2015
	Madhyamam " Kanapuram 2015" sponsorship
	15th all Kerala Day & Night indoor Cricket Tournament Memento - 2015
	Excellence award -2015 form Chiranthana Samskarika Vedi-UAE
	Yuva-2015 From Kerala Merchant chamber of Commerce Yuva Wing
	Achieved Turnover of Rs.46.16 Crores
2016-17	Best Entrepreneur of Kerala in 2016 by the Govt. of Kerala, awarded by the Former Chief Minister of Kerala, Shri. Oommen Chandy
	Associate sponsor for Deshabhimani " Aksharamyttam Quiz" 2016
	Valuable Partnership award from Samsung - 2016
	Innovative Entrepreneur of the Year in 2016 by Reporter Business Reliability Awards, 3rd Edition.
	Excellence Award by IVOLV, Cochin. - Jan 2017
	Top Dealer Award by OPPO for the year 2016 – 17.
	The President's Club Samsung ward 2016
	VIVO Premium club member 2016
	KMCC Youth wing for the patronage for the Cricket tournament- 2016
	Reliability Ward from Reporter Business- 2016
	F-Series Premium Partner from OPPO India- 2016
	Achieved Turnover of Rs.68.49 Crores
2017-18	Excellence Award by Apple (India) in 2017 for the Highest Attachment Rate of Apple products.
	The President's Club Samsung ward for 2017
	Privilege Partner ward 2017-18, Moto privilege club
	Excellence Award by OPPO India for support and undying commitment for 2017-18.
2018-19	Consumer Protection Award in 2018 for FONE4 Communications India Pvt. Ltd. by Govt. of Kerala.
	Certification of ISO 9001- 2018
	Certificate of appreciation - Club FM Malayalam Music Award-2018
	Digital Partner for Club FM Musical night -2018
	The President's Club Samsung ward -2018
	Achieved Turnover of Rs.146.89 Crores

2019-20	Mathurbhoomi - Kerala 2.0 award -July 2019
	Mathurbhoomi - Musical Night - Telecom parter- 2019
	The President's Club samsung ward for 2019
	Certificate of Achievement award by SAMSUNG for the outstanding contribution.
	Certificate of appreciation - Club FM Malayalam Music Award-2019
2020-21	Member of The Presidents Club by SAMSUNG (Most desirable and distinguished membership reserved for a select few).
	Premium Club Partner Award by VIVO.
	Best Dealer Partner Award by Xiaomi for the outstanding sales of MI phones.
	Best Digital Dealer Award by BAJAJ FINSERV.
	Premium Retail Partner Award by PANASONIC India
	Diamond 2021 from Oppo Premier Club
	Most exteemed Partnor award from Samsung 2021
	Digital Partner for Club FM Musical night
	Award from ICICI Bank for support and Partonage
	Club FM Bhakyavan Season-8 accociate Partner
	The President's Club samsung ward
	Certifictc of appreciation from Samsung
	Started E-Commerce and achieved 5% additional revenue from this business.

Changes in registered office of our Company since incorporation:

Date	Change from	Change to
15/05/2014	40/2908 E-1,3rd Floor, Penta Menaka, Shanmugham Road, Cochin-682031, Kerala, India	40/2908 E-1,3rd Floor, Penta Menaka, Shanmugham Road, Cochin- 682031, Ernakulam, Kerala, India
18/04/2015	40/2908 E-1,3rd Floor, Penta Menaka, Shanmugham Road, Cochin- 682031, Ernakulam, Kerala, India	35/1689E,2nd Floor, Stadion 68, Stadium Link Road, Cochin- 682025, Ernakulam, Kerala, India
06/09/2021	35/1689E,2nd Floor, Stadion 68, Stadium Link Road, Cochin- 682025, Ernakulam, Kerala, India	1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam, Ernakulam 682032, Kerala, India

Main Objects of our Company:

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

To carry on the business of dealers and distributors of mobile phones, telecommunication, data communication equipment and accessories and to render related services.

Amendments to the Memorandum of Association and Article of Association of our Company

Sl. No.	Date of Amendments	Amendments
1.	25 th February 2015	Increase in Authorised Share Capital from Rs.1,00,000/- comprising of 10,000 Equity Shares of Rs.10/- each to Rs.5,00,000/- comprising of 50,000 Equity Shares of Rs.10/- each.
2.	24 th March, 2015	Alteration of Articles of Association of the Company
3.	24 th January 2018	Increase in Authorised Share Capital from Rs.5,00,000/- comprising of 50,000 Equity Shares of Rs.10/- each to Rs.2,00,00,000/- comprising of 20,00,000 Equity Shares of Rs.10/- each.
4.	25 th January, 2018	Alteration of Articles of Association of the Company
5.	30 th January, 2018	Alteration of Articles of Association of the Company
6.	17 th July 2019	Increase in Authorised Share Capital from Rs.2,00,00,000/- comprising of 20,00,000 Equity Shares of Rs.10/- each to Rs.3,00,00,000/- comprising of 30,00,000 Equity Shares of Rs.10/- each.
7.	28 th September, 2019	Alteration of Articles of Association of the Company
8.	30 th June 2021	Increase in Authorised Share Capital from Rs.3,00,00,000/- comprising of 30,00,000 Equity Shares of Rs.10/- each to Rs.9,00,00,000/- comprising of 90,00,000 Equity Shares of Rs.10/- each.
9.	11 th November, 2021	Alteration of Articles of Association of the Company

10.	4 th February 2022	Increase in Authorised Share Capital from Rs.9,00,00,000/- comprising of 90,00,000 Equity Shares of Rs.10/- each to Rs.18,00,00,000/- comprising of 1,80,00,000 Equity Shares of Rs.10/- each.
11.	23 rd February, 2022	Alteration of Articles of Association of the Company

Capital raising (Debt / Equity)

Except as set out in the sections titled “*Capital Structure*” and “*Financial Indebtedness*” beginning on page no 40 and 126 respectively of this prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

Holding/Subsidiary/Joint Ventures of the Company

Our company does not have any subsidiary or Joint Venture Company or associate company

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There are no defaults or rescheduling of borrowings with financial institutions/banks in relation to our Company.

Details regarding past performance of the company.

For details in relation to our past financial performance in the previous 3 (three) financial years to the extent applicable, please refer to section titled “*Financial Statements as restated*” beginning on page no. 104 of this prospectus.

Details regarding acquisition of business /undertakings, mergers, amalgamation, revaluation of assets etc.

Except as mentioned in chapter “*Our History and Certain Corporate Matters*” beginning on page no. 83, there are no mergers, amalgamation, revaluation of assets etc. with respect to our Company as on the date of this prospectus.

Changes in the activities of our Company during the last five (5) years

Except as mentioned in chapter “*Our History and Certain Corporate Matters*” beginning on page no. 83, there have been no changes in the activity of our Company during the last five (5) years to the extent applicable, preceding as on the date of this prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

Revaluation of Assets

Our Company has not revalued its assets as on the date of this prospectus.

Collaboration Agreements

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

Shareholders Agreements

Our Company has not entered into any shareholders agreement as on the date of this prospectus.

Other Agreements

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business.

Non-Compete Agreement

Our Company has not entered into any Non-competes Agreement as on the date of this prospectus.

Strategic Partners

Our Company does not have any strategic partners as on the date of this prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this prospectus.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Currently, our Company has 5 (Five) Directors on our Board. The detailed composition are as follows:

Sl. No.	Name of the Director	DIN	Designation	Date of Appointment#
1	Mr. Sayyed Hamid	05167876	Managing Director	08-05-2014
2	Mrs. Roudha Zerlina	05168024	Non-executive Director	08-05-2014
3	Mr. Sayyed Haris Sayyed Imbichi	08395581	Executive Director & CFO	20-03-2019
4	Mr. Mohammed Asharaf	09526578	Independent Director	12-03-2022
5	Mr. Mohammed Arzoo Abdul Latheef	09525381	Independent Director	12-03-2022

Original date of Appointment as per MCA database.

The following table sets forth details regarding the Board of Directors as on the date of this prospectus:

Sl. No.	Particulars	Details
1	Name of the Director	Mr. Sayyed Hamid
	Father's Name	Mr. Imbichi Sayyed
	Residential Address	Flat No. 5154, Prestige Neptunes Courtyard, Marine Divine, Ernakulam North, Kerala-682018
	Date of Birth	18/03/1979
	Age	43
	Designation	Managing Director
	DIN	05167876
	Occupation	Business
	Nationality	Indian
	Qualification	Certificate course in Automobile Engineering & MBA in Sales & Marketing
	No. of Years of Experience	Please refer "Brief Biographies of Directors" as mentioned below
	Date of Appointment	08/05/2014, Designation changed to Managing Director with effect from 12/03/2022
	Terms of Appointment	5 Years
Directorship in other companies	1. Smokin Burg Private Limited 2. Futureevents Enterprises Private Limited 3. Springstay Hotels and Apartments Private Limited (<i>Strike Off</i>)	

Sl. No.	Particulars	Details
2	Name of the Director	Mrs. Roudha Zerlina
	Father's Name	Mr. Sayedhamza Bafakyh
	Husband's Name	Sayyed Hamid
	Residential Address	Flat No. 5154, Prestige Neptunes Courtyard, Marine Divine, Ernakulam North, Kerala-682018
	Date of Birth	03/07/1985
	Age	37
	Designation	Non-executive Director
	DIN	05168024
	Occupation	Business
	Nationality	Indian
	Qualification	B.Com
	No. of Years of Experience	Please refer "Brief Biographies of Directors" as mentioned below
	Date of Appointment	08/05/2014, Designation changed to Non-Executive Director with effect from 12/03/2022
Terms of Appointment	Liable to retire by rotation	
Directorship in other companies	NIL	

Sl. No.	Particulars	Details
3	Name of the Director	Sayyed Haris Sayyed Imbichi
	Father's Name	Mr. Sayyed Imbichi
	Residential Address	Aashiyana, House no: 10 Krishna Nagar Colony Modern Bazar Kolathara Kozhikode -673655, Kerala.
	Date of Birth	15-12-1995
	Age	26
	Designation	Executive Director & CFO
	DIN	08395581
	Occupation	Business
	Nationality	Indian
	Qualification	B.Com
	No. of Years of Experience	Please refer "Brief Biographies of Directors" as mentioned below
	Date of Appointment	20/03/2019, Designation changed to Director & CFO with effect from 12/03/2022.
	Terms of Appointment	N/A
Directorship in other companies	NIL	

Sl. No.	Particulars	Details
4	Name of the Director	Mohammed Asharaf
	Father's Name	Mr. Abdul Wahab
	Residential Address	Nediyath, Adinadu South, Kattilkadavu, PO, Karunagappaly, Adinad, Kollam, Kattilkadavu-690542, Kerala.
	Date of Birth	11-01-1996
	Age	26
	Designation	Independent Director
	DIN	09526578
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Science in Diabetes Science with First class from Amrita Vishwa Vidyapeetham University, Cochin.
	No. of Years of Experience	Please refer "Brief Biographies of Directors" as mentioned below
	Date of Appointment	12-03-2022
	Terms of Appointment	5 Years
Directorship in other companies	NIL	

Sl. No.	Particulars	Details
5	Name of the Director	Mohammed Arzoo Abdul Latheef
	Father's Name	Abdul Latheef
	Residential Address	Lamiyas, VKK Menon Road, Kallai PO, Kozhikode-673003, Kerala.
	Date of Birth	02/01/1994
	Age	28
	Designation	Independent Director
	DIN	09525381
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Engineering
	No. of Years of Experience	Please refer "Brief Biographies of Directors" as mentioned below
	Date of Appointment	12-03-2022
	Terms of Appointment	5 Years
Directorship in other companies	NIL	

Brief Biographies of the Directors

- Sayyed Hamid**, aged 43 years, is an entrepreneur from Kerala settled in Kochi with astute business acumen and foresight. Over the last 15 years, he has diversified into Retail, Hospitality and Distribution businesses across South India. His journey as a businessman started in 1997 from a small room that his father owned in Kochi's Penta Menaka which is now the hub for all kinds of electronic gadgets. Unlike many of his contemporaries he didn't inherit a business empire but build it from scratch from that one room shop that he personally managed in along with two assistants. Right from the days of his first store, he brought in a personal touch in customer service & after sales service. This helped in developing a very good rapport with his clients. Mobile & automobile are the twin passions of Sayyed Hamid, and he owns one of the popular retail chain in Kerala for electronic gadgets.
- Roudha Zerlina**, aged 36 is the wife of Sayyed Hamid. She is a B.com Graduate. After studies she had built a one of its kind dessert brands named pudding jar on her own especially for wide varieties of desserts in Bangalore, Karnataka. Pudding Jar's 1st outlet was opened on Feb 14, 2020 at Frazer town Bangalore. Later expanded to 3 more new outlets at Bangalore itself. She is also adding value to the business of FONE4 Communications (India) Ltd as a Non-Executive Director of the company.
- Sayyed Haris Sayyed Imbichi**, aged 26 Years is an entrepreneur from Kerala settled in Kochi with astute business acumen and foresight. He has started working with heavy equipment rental business supported his father in Jeddah Kingdom of Saudi Arabia. He has completed his B Com. from Calicut University, is pursuing ACCA. He is the Executive Director and CFO of the Company.
- Mohammed Asharaf**, aged 26 years, the Diabetes Counsellor of Alp Consulting Limited, Bengaluru, has nearly 5 years of experience in the medical field. He had done Bachelor of Science in Diabetes Science with First class from Amrita Vishwa Vidyapeetham University, Cochin. He is the Independent Director of the Company.
- Mohammed Arzoo Abdul Latheef**, aged 28 years, is associated with Asteria builders and has nearly 5 years of experience in the real estate sector. He is responsible for the overall working of the Asteria builders and is instrumental in making strategic decisions for it. He is also active in social activities and is part of various charitable organizations. He has done civil engineering Bachelor of Engineering from Visvesvaraya Technological University, Belagavi, Karnataka, India. He is the Independent Director of the Company.

Family Relationships between the Directors

None of the directors of our Company have family relationship except for the ones mentioned below:

Sr. No.	Name of the Director	Related to	Relationship
1	Sayyed Hamid	Roudha Zerlina	Spouse
2	Sayyed Hamid	Sayyed Haris Sayyed Imbichi	Brother
3	Roudha Zerlina	Sayyed Haris Sayyed Imbichi	Brother in Law

Arrangements 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 were selected as a director or member of a senior management as on the date of this prospectus.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Common directorships of the Directors in listed companies whose shares have been/were suspended from being trading on any of the Stock Exchange during his/her tenors for a period beginning from five (5) years prior to the date of this prospectus

None of the Directors are/were directors of any company whose shares were suspended from being trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years or to the extent applicable.

Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of the Directors are/were directors of any entity whose shares were delisted from any Stock Exchange(s). Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The Board of Director vide the special resolution passed at the Extra Ordinary General Meeting dated 16th March, 2022, allowed to borrow and that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.20.00 Crores.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Policy for Determination of Materiality & Materiality of Related Party Transactions and on Dealing with Related Party Transactions:

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of BSE.

Remuneration to Executive Directors

The compensation payable to Executive Directors 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 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

Payment or benefit to Non-Executive Directors of Our Company

Apart from the remuneration to Executive Directors, if any as provided, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

The details of the shareholding of our directors as on the date of this prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Sayyed Hamid	48,74,996	47.56%	28.59%
2	Roudha Zerlina	48,75,000	47.56%	28.59%
3	Sayyed Haris Sayyed Imbichi	5,00,000	4.88%	2.93%
	Total	1,02,49,996	100.00%	60.12%

Interest of our Directors

Our directors may be deemed to be interested to the extent of their remunerations paid to them for services rendered and with the reimbursement of expenses payable to them as mentioned above. For further details, please refer to section titled **“Our Promoters and Promoter Group”** beginning on page no. 96 of this prospectus.

Further, none of our directors have any interest in any property acquired by our Company within two (2) years of the date of this prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section **“Shareholding of Directors in our Company”** above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as stated above and except as stated in the sections titled **“Financial Information as Restated”** and **“Our Promoters and Promoter Group”** beginning on pages 104 and 96 respectively of this prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our directors have been appointed to a place or office of profit in our Company other than mentioned elsewhere in the prospectus. For further details, please refer to section titled **“Our Management – Remuneration to Executive Directors”** beginning on page 86 of this prospectus.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. Some of the directors also hold directorships in Promoter Group and Group Entities of our Company.

Our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section **“Our Management”** or the section titled **“Financial Information - Related Party Transactions”** beginning on page no 86 and 124 respectively of this prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Changes in the Board of Directors of our Company in the last three (3) years or to the extent applicable are as follows:

Name of Director	Date of Appointment	Date of Change of Designation	Date of cessation	Reason
Sayyed Hamid	08-05-2014	12-03-2022	-	Designation changed to Managing Director
Roudha Zerlina	08-05-2014	12-03-2022	-	Designation changed to Non-Executive Director
Sayyed Haris Sayyed Imbichi	20-03-2019	02-09-2019	-	Designation changed to Executive Director Cum CFO
Pathukunju parayankudy Abubacker	20-03-2019	-	18-10-2019	Resigned from the company due to personal reasons.
Mohammed Asharaf	12-03-2022	-	-	Appointed as Independent Director
Mohammed Arzoo Abdul Latheef	12-03-2022	-	-	Appointed as Independent Director

Other Confirmations:

- None of our Directors are on the RBI List of willful defaulters or Fraudulent Borrower as on the date of this prospectus.
- None of our Promoters or Directors of our Company are a fugitive economic offender.
- Further, none of our directors are or were directors of any listed company whose shares.
 - (a) have been or were suspended from trading on any of the stock exchanges during the five years prior to the date of filing this prospectus or.
 - (b) delisted from the stock exchanges.
- None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence etc.

Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of 5 (Five) Directors (including one-woman Director).

We have One (1) Managing Director, One (1) Non-Executive Woman Director, One (1) Executive Non-Independent Director and Two (2) Independent Directors, which is in compliance with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations.

COMMITTEES OF OUR BOARD

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

○ *Audit Committee*

As per section 177 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.

Our Audit Committee was constituted pursuant to a resolution of our Board Meeting dated 12/03/2022. The Audit Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Mr. Mohammed Asharaf	Chairman	Independent Director
Mr. Mohammed Arzoo Abdul Latheef	Members	Independent Director
Mr. Sayyed Hamid	Members	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

A. *Powers of Audit Committee:* The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. *Role of Audit Committee:* The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;

- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 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.]
- monitoring the end use of funds raised through public offers and related matters.
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the prospectus/notice in terms of Regulation 32(5).

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

○ **Stakeholders' Relationship Committee**

As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board Meeting dated 12/03/2022. The Stakeholders' Relationship Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Mrs. Roudha Zerlina	Chairman	Non-Executive Director
Mr. Sayyed Hamid	Members	Managing Director
Mr. Sayyed Haris Sayyed Imbichi	Members	Executive Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Role of the Stakeholders Relationship Committee

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time."

As required under Regulation 20 of the SEBI (LODR) Regulations, the Stakeholders' Relationship Committee shall meet at least once in a year.

○ **Nomination and Remuneration Committee**

As per section 178 (1) of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board Meeting dated 12/03/2022. The Nomination and Remuneration Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Mr. Mohammed Asharaf	Chairman	Independent Director
Mrs. Roudha Zerlina	Members	Non-executive Director
Mr. Mohammed Arzoo Abdul Latheef	Members	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

Role of the Nomination and Remuneration Committee

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Set forth below are the role of our Nomination and Remuneration Committee.

- 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;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance].
- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

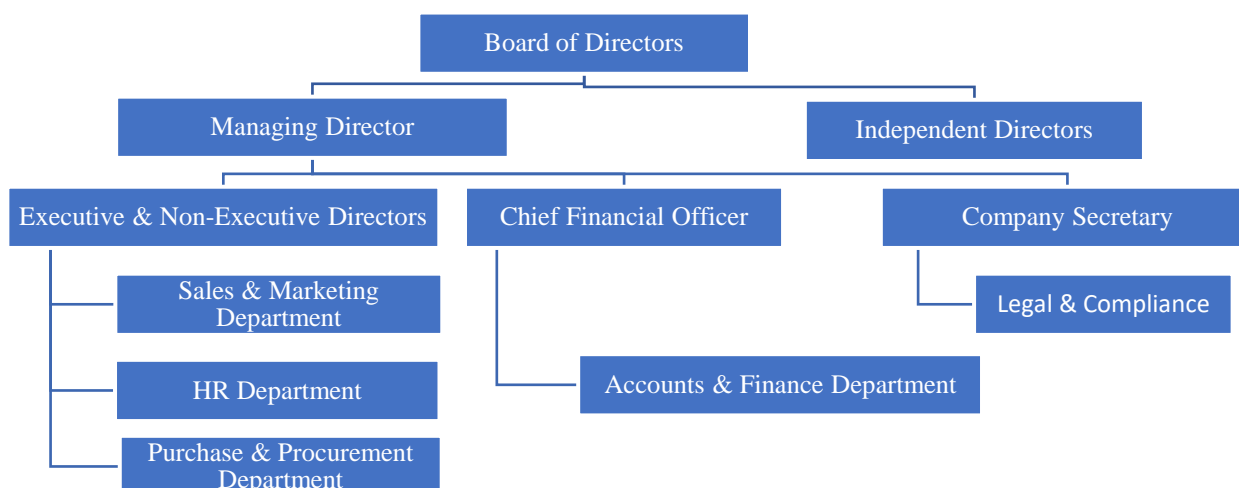
As required under Regulation 19 of the SEBI (LODR) Regulations, the Nomination and Remuneration Committee shall meet at least once in a year. The quorum for a meeting shall be either two members present, or one-third of the members of the, whichever is greater, provided that there should be a minimum of one independent directors present.

○ **Corporate Social Responsibility Committee:**

As per section 135 (1) of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Corporate Social Responsibility committee is not applicable to our company till the date of this prospectus. We will comply with the requirement as and when the CSR is applicable to us.

Management Organizational Structure



Our Key Managerial Personnel

The details of the Key Managerial Personnel as on the date of this prospectus are set out below. All the Key Managerial Personnel's are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. **Sayyed Hamid, Managing Director**, for details please refer section titled **"Our Management"** beginning at page no 86 of this Prospectus.
2. **Sayyed Haris Sayyed Imbichi**, aged 26 Years, has been appointed as Executive Director Cum Chief Financial Officer (CFO) of the Company. For details please refer section titled **"Our Management"** beginning at page no 86 of this Prospectus.
3. **Ms. Nisha Shaw**, qualified as a Company Secretary in 2021 from The Institute of Company Secretaries of India. She has completed her 15 Months of management training from Shiriti Kumari & Associates. She has been appointed as Company Secretary and Compliance officer of the company since 12/03/2022 to handle all the secretarial and legal compliance for the Company.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 65 years of age.

Shareholding of Key Management Personnel in our Company

Sayyed Hamid (Managing Director & Promoter of our company) is holding 48,74,996 number of Equity Shares in the Company, Roudha Zerlina (Non-Executive Director & Promoter of our company) is holding 48,75,000 number of Equity Shares in the Company and Sayyed Haris Sayyed Imbichi (Executive Director Cum CFO) is holding 5,00,000 number of Equity Shares in the company. None of the other Key Management Personnel holds Equity Shares in our Company as on the date of this prospectus.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

Interests of Key Management Personnel

Except as mentioned above in this prospectus, the Key Management Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Payment of Benefits to Officers of our Company (non-salary related)

Except as disclosed in this prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "**Financial Information as Restated**" beginning on page no 104 of this prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

Relationship amongst the Key Managerial Personnel of our Company

Except the following, there is no family relationship amongst the Key Managerial Personnel of our Company.

Sr. No.	Name of the Director	Related to	Relationship
1	Sayyed Hamid	Roudha Zerlina	Spouse
2	Sayyed Hamid	Sayyed Haris Sayyed Imbichi	Brother

Relationship between the Directors and Key Managerial Personnel

There are no family relationships between the Directors and Key Managerial Personnel of our Company other than mentioned elsewhere in the prospectus.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this prospectus.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Directors or Key Managerial Personnels have availed loan from our Company which is outstanding as on the date of this prospectus.

Changes in Our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years or to the extent applicable are as follows:

No.	Name of the Key Managerial Personnel & Designation	Date of Appointment	Date of Resignation	Reason
1	Sayyed Hamid (Managing Director)	12-03-2022	-	Designation changed to Managing Director in the interest of the company.
2	Sayyed Haris Sayyed Imbichi (Executive Director & Chief Financial Officer)	12-03-2022	-	Appointed as Chief Financial Officer in the interest of the Company.
3	Ms. Nisha Shaw (Company Secretary & Compliance Officer)	12-03-2022	-	Appointed as Company Secretary in the interest of the Company.


OUR PROMOTERS AND PROMOTER GROUP

1. Our Promoters:

Our Promoters are (i) Mr. Sayyed Hamid and (ii) Mrs. Roudha Zerlina. As on the date of this prospectus, our Promoters jointly hold 97,49,996 Equity Shares which in aggregate, constitutes 95.12% of the pre issued paid-up Equity Share capital of our Company.

(i) Details of Individual Promoters of our Company

	<p>Mr. Sayyed Hamid, aged 43 years, is the Founder Promoter and Managing Director of the company. For further personal details, please also refer to section titled “<i>Our Management</i>” and “<i>Group Entities of our Company</i>” beginning on page 86 and 99 respectively of this prospectus.</p>
Name of Promoter	Mr. Sayyed Hamid
Father’s Name	Mr. Imbichi Sayyed
Date of Birth	18/03/1979
Qualification	Certificate course in Automobile Engineering & MBA in Sales & Marketing
Occupation	Business
Nationality	Indian
Address	Flat No.5154, Prestige Neptunes, Courtyard, Marine Divine, Ernakulam North, Ernakulam, Kerala-682018.
Permanent Account No.	AWTPS9247C

	<p>Mrs. Roudha Zerlina aged 37 years, is the wife of Mr. Sayyed Hamid is one of the Founder Promoters and Non-Executive Director of the company. For further personal details, please also refer to section titled “<i>Our Management</i>” and “<i>Group Entities of our Company</i>” beginning on page 86 and 99 respectively of this prospectus.</p>
Name of Promoter	Mrs. Roudha Zerlina
Father’s Name	Mr. Sayedhamza Bafakyh
Date of Birth	03/07/1985
Qualification	B. Com
Occupation	Business
Nationality	Indian
Address	Flat No.5154, Prestige Neptunes, Courtyard, Marine Divine, Ernakulam North, Ernakulam, Kerala-682018.
Permanent Account No.	AJVPR0396J

Our Company confirms that it will submit the details of the PAN, Bank Account Number, Passport and Aadhar Card of our Promoters to BSE separately at the time of filing the prospectus.

(ii) Details of Body Corporate Promoters of our Company:

We don't have any Body Corporate Promoters

Other Information related to Our Company:

Interests of our Promoters:

Our Promoters are interested in our Company to the extent of their respective Equity shareholding in our Company and any dividend distribution that may be made by our Company in the future. For details pertaining to our Promoters' shareholding, please refer to section titled "**Capital Structure**" beginning on page 40 of this prospectus. Further, our promoters may also be interested to the extent they are Directors on our Board. For further information on remuneration to the Executive Directors, please refer to section titled "**Our Management**" beginning on page 86 of this prospectus.

Our Promoters have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

None of our Promoters or Group Entities have any interest in any property acquired by our Company within two (2) years of the date of this prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

Interest of Promoters in Sales and Purchases:

There are no sales/purchases between our Company and our Group Entity other than as stated in the section titled "**Financial Information - Related Party Transactions**". For further details, please refer to section titled "**Financial Information - Related Party Transactions**" beginning on page no. 124 of this prospectus.

Confirmations:

Our Company hereby confirms that:

- None of our Promoters have been declared as a willful defaulter or fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past nor any pending against them.
- None of our Promoters, Promoter Group or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group have been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Payment or benefits to the Promoters in the last two (2) years:

No payment or benefit has been made to the Promoters except as disclosed in the related party transaction. For further details, please refer to section titled "**Financial Information - Related Party Transactions**" beginning on page no. 124 of this prospectus.

Disassociation by the Promoters from entities in last three (3) years:

No Promoter has been disassociated from entities in last 3 years.

Litigation details pertaining to our Promoters:

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled "**Outstanding Litigations and Material Developments**" beginning on page no. 131 of this prospectus.

2. Our Promoter Groups:

In compliance with SEBI Guideline, “Promoter Group” pursuant to the regulation 2(1)(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we confirm that following persons are part of promoter group:

A) The promoter:

Sl. No.	Name of the Promoters
1	Mr. Sayyed Hamid
2	Mrs. Roudha Zerlina

B) Natural persons i.e., an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);

Natural persons i.e., an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);

Relationship	Mr. Sayyed Hamid	Mrs. Roudha Zerlina
Father	Sayyed Cherkkala Paduvingal Imbichi	Sayed Hamza Bafakyh
Mother	Aysha Beevi Sayyed Imbichi	Shareefa Mariyam
Spouse	Roudha Zerlina	Sayyed Hamid
Brother	Sayyed Haris, Sayyed Imbichi	Sayed Usman Sabir Bafakyh
Sister	Najmunnisa Sayyed Imbichi & Qamarunnisa Sayyed	Shareefa Fathima Zuhara & Shareefa Amina Safira
Son	Sayyed Zaman Hamid	Sayyed Zaman Hamid
Daughter	Zaara Jumana & Aysha Zoya Hamid	Zaara Jumana & Aysha Zoya Hamid
Spouse’s Father	Sayed Hamza Bafakyh	Sayyed Cherkkala Paduvingal Imbichi
Spouse’s Mother	Shareefa Mariyam	Aysha Beevi Sayyed Imbichi
Spouse’s Brothers	Sayed Usman Sabir Bafakyh	Sayyed Haris, Sayyed Imbichi
Spouse’s Sisters	Shareefa Fathima Zuhara & Shreefa Amina Safira	Najumunnisa Sayyed Imbichi & Qamarunnisa Sayyed

C) In case promoter is a body corporate: - Not Applicable

Nature of Relationship	Entity
Subsidiary or holding company of Promoter Company.	N. A.
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	N. A.

D) In case the promoter is an individual:

Nature of Relationship	Entity and Relation
Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	<ul style="list-style-type: none"> Futureevents Enterprises Private Limited Springstay Hotels and Apartments Private Limited (<i>Strike Off</i>) Smokin Burg Private Limited
Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	Nil
Any Hindu Undivided Family or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than twenty percent of the total capital.	Pudding Jar

E) All persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

Sl. No.	Name of shareholders under promoter group
1	Sayyed Haris Sayyed Imbichi
2	Aisha Beevi Sayyed Imbichi
3	Najmunnisa Sayyed Imbichi
4	Sayyed Salman Bafakyh

GROUP ENTITIES OF OUR COMPANY

In compliance with SEBI Guideline, “*Group Companies/Entities*” pursuant to the regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018, shall include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Based on the above, the following are our Group Entities (Companies which are no longer associated with our Company have not been disclosed as Group Companies): -

1. Future events Enterprises Private Limited
2. Smokin Burg Private Limited
3. Future Events Enterprises
4. Fone4 Communications
5. Fone4
6. Pudding Jar

The brief details of above are as under:

1) Future Events Enterprises Private Limited

Name of the Company	Future Events Enterprises Private Limited
Category	Unlisted Private Company
Name of Director	Mr. Abdulla Abdul Kadhar Mr. Sayyed Hamid Mr. Muhammed Payaz Kapil
Brief Description and nature of activity or Business	The Company is into the Business of advertising i.e. prominent type of transit media advertisement, preferred by many big brands due to its impeccable responsiveness.
Date of Incorporation	14/03/2016
CIN	U51909KL2016PTC040353
GSTIN	32AACCF7947E1ZQ
PAN	AACCF7947E
Registered Office Address	35/2711-D, Kaloor Stadium Link Road Pipeline Junction (West) Thamannam Ernakulam 682032, Kerala, India

2) Smokin Burg Private Limited

Name of the Company	Smokin Burg Private Limited
Category	Unlisted Private Company
Name of Director	Mr. Sayyed Hamid Mr. Khaleed Puthan Purayil
Brief Description and nature of activity or Business	Smokin Burg is having retail chain of outlets launched in Thrissur, Kerala. It conceptualized to serve selective versatile food items for both vegetarian and non-vegetarian people. It introduced one of its kind Burgers, Starters, Fried Chicken, Pizza's and Beverages etc. What sets it apart is that, most of the ingredients used are made-in-house, which include sauces and the buns.
Date of Incorporation	16/03/2020
CIN	U15549KL2020PTC061872
PAN	ABDCS5649A
Registered Office Address	35/2711D-1, 44/3999-A1 Thammanam Ernakulam -682032, Kerala, India

3) Future Events Enterprises

Name of the Company	Future Events Enterprises
Category	Proprietorship Firm
Name of Director	Sayyed Hamid
Brief Description and nature of activity or Business	Future Events is into the business of distribution of all electronic accessories.
Date of Incorporation	19-03-2013
PAN	AWTPS9247C
GSTIN	32AWTPS9247C1Z3
Registered Office Address	35/2711-D, Kaloor Stadium Link Road Pipeline Junction (West) Thamannam Ernakulam 682032, Kerala, India

4) Fone4 Communications

Name of the Company	Fone4 Communications
Category	Partnership Firm
Name of Director	Sayyed Hamid Parambathkandy Aboobacker Mohamed
Brief Description and nature of activity or Business	Fone4 Communications is engaged in the business of trading of Consumer durables.
Date of Incorporation	01/07/2017
PAN	AAEFT8268P
Registered Office Address	25/1560, Prestige Building, Kuruppam Road, Thrissur, Kerala, 680001

5) Fone4

Name of the Company	Fone4
Category	Partnership Firm
Name of Director	Sayyed Hamid Abdul kareem Hydrose Pooncherry
Brief Description and nature of activity or Business	Fone4 is engaged in the business of trading of Consumer durables.
Date of Incorporation	01/07/2017
PAN	AADFF8879R
Registered Office Address	40/1603 D1, 67/4623A, Marine Drive Commercial Complex, Shanmugam Road, Ernakulam, Kerala, 682031

6) Pudding Jar

Name of the Company	Pudding Jar
Category	Partnership Firm
Name of Director	Sayyed Hamid Roudha Zerlina
Brief Description and nature of activity or Business	Pudding jar is engaged in preparation and selling deserts.
Date of Incorporation	05/01/2020
PAN	AAYFP2152L
Registered Office Address	G-1, No 39/1, Mani Business Centre, Coles Road, Frazer Town, Ward No 91, Bengaluru (Bangalore) Urban, Karnataka, 560005

Audited Financial Statements

The details of the Reserves (excluding revaluation reserves), Sales, Profit/(Loss) after tax, Basic Earnings Per Share, Diluted Earnings Per Share and Net Asset Value Per Share derived from the Audited Financial Statements of all the above-mentioned 6 (Six) Group Entities for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at <https://www.fone4.in/>

Common Pursuits among Group Entities with our Company

Some of Our Group entities deals in trading of some of the products that are similar to our Company's products. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and in circumstances where our respective interests diverge.

The related business transactions within the group and their significance on the financial performance of the issuer

For details pertaining to business transactions, of our Company with our Group entities, please refer "Related Party Transactions under Restated Financial Statement" beginning on page no. 124 of this Prospectus.

Any pending litigation involving the group company which has a material impact on the issuer.

There has been no material litigation in the group entities, which may directly or indirectly affect our Company other than as mentioned in the section titled "Outstanding Litigations and material Development" beginning on page no. 131 of this Prospectus.

RELATED PARTY TRANSACTIONS

For details on related party transactions (As per the requirement under Accounting Standard 18 “Related Party Disclosure” issued by ICAI) of our Company during the restated audit period as mentioned in this prospectus i.e., for the period ended on December 31, 2021 and financial year ended on 31st March 2021, 31st March 2020 and 31st March 2019 please refer to Section titled, **Financial Information - Related Party Transactions**, beginning on page 124 of this prospectus.

DIVIDEND POLICY

Our Company does not have any formal dividend policy for the equity shares. Our Company can pay Final dividends upon a recommendation by Board of Directors and approval by majority of the members at the Annual General Meeting subject to the provisions of the Articles of Association and the Companies Act, 2013. The Members of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to Board of Directors to declare and pay interim dividends.

The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. The declaration and payment of dividend will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions, contractual obligations and restrictions, restrictive covenants under the loan and other financing arrangements to finance the various projects of our Company and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares for the period covered in Restatement of Accounts as per our Restated Financial Statements.

SECTION IX: FINANCIAL INFORMATION AS RESTATED

Independent Auditor's Examination report on Restated Financial Information of Fone4 Communications (India) Limited

To,
The Board of Directors
Fone4 Communications (India) Limited
 45/692-B, 1st Floor, Ashna Arcade,
 Vylopilly Road, Thammanam Ernakulam
 Ernakulam Kerala 682032 India

1. We have examined the attached restated standalone financial information of **"Fone4 Communications (India) Limited"** (hereinafter referred to as "the Company" or "the Issuer") comprising the restated statement of assets and liabilities as at 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019, restated statement of profit and loss and restated cash flow statement for the financial period/year ended on 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the **"restated standalone financial information"** or **"restated standalone financial statements"**) annexed to this report and initialed by us for identification purposes. These Restated Standalone Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on SME Platform (**"IPO"** or **"SME IPO"**) of BSE Limited (**"BSE"**) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the **"Act"**) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (**"ICDR Regulations"**) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (**"SEBI"**);
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (**"Guidance Note"**)
3. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Statements for inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India (**"SEBI"**), SME platform of BSE Limited (**"BSE"**) and Registrar of Companies (Ernakulam, Kerala) in connection with the proposed IPO. The Restated Standalone Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Standalone Financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statements. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Standalone Financial Statements taking into consideration:
 - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
 - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Statements;
 - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. The Restated Standalone Financial Statements of the Company have been compiled by the management from:
- (i) The audit for the nine months ended on 31 December 2021 was conducted by us and the audit for the financial year ended on 31 March 2021, 31 March 2020 and 31 March 2019 was conducted by M/s Mathew & Jose, Chartered Accountants, Statutory Auditor. There are no audit qualifications in the audit reports issued by the statutory and tax auditors for the financial year/period ended on 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019 which would require adjustments in the Restated Standalone Financial Statements of the Company. The financial report included for these period/years is based solely on the report submitted by them.
 - (ii) The audit for the financial year ended on 31 March 2021, 31 March 2020 and 31 March 2019 was conducted by the company's previous Auditor, and accordingly reliance has been placed on the financial statement examined by them..
 - (iii) We have Re-audited the Financial statements of the company in accordance with applicable standard as required under the SEBI ICDR regulations for the financial year ended on 31 March 2021 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors.
 - (iv) Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Standalone Financial Statements:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial period/year ended on 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019.
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
 - c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
 - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
 - e) Adequate disclosure has been made in the financial statements as required to be made by the issuer as per schedule III of the Companies Act, 2013.
 - f) The accounting standards prescribed under the Companies act, 2013 have been followed.
 - g) The financial statements present a true and fair view of the company's accounts.
 - (v) In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
 - a) The **"Restated Summary Statement of Assets and Liabilities"** as set out in **Annexure I** to this report, of the Company as at 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
 - b) The **"Restated Summary Statement of Profit and Loss"** as set out in **Annexure II** to this report, of the Company for the period ended on 31 December 2021 and financial years ended on 31 March 2021, 31 March 2020 and 31 March 2019 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
 - c) The **"Restated Summary Statement of Cash Flow"** as set out in **Annexure III** to this report, of the Company for the period ended on 31 December 2021 and financial years ended on 31 March 2021, 31 March 2020 and 31 March 2019 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.

- (vi) We have also examined the following other financial information relating to the Company prepared by the management and approved by the board of directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”).

Annexure No.	Particulars
I	Restated Statement of Assets & Liabilities
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Deferred Tax Liabilities/Assets
I.5	Restated Statement of Short-Term Borrowings
I.6	Restated Statement of Trade Payable
I.7	Restated Statement of Other Current Liabilities
I.8	Restated Statement of Short-Term Provisions
I.9	Restated Statement of Fixed Assets & Depreciations
I.10	Restated Statement of Non-Current Investment
I.11	Restated Statement of Long-Term Loans and Advances
I.12	Restated Statement of Other Non-Current Assets
I.13	Restated Statement of Inventories
I.14	Restated Statement of Trade Receivable
I.15	Restated Statement of Cash & Cash Equivalent
I.16	Restated Statement of Short-Term Loans and Advances
I.17	Restated Statement of Other Current Assets
II	Restated Statement of Profit & Loss
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Cost of Material Consumed
II.4	Restated Statement of Changes in Inventories
II.5	Restated Statement of Employees Benefit Expenses
II.6	Restated Statement of Other Expenses
II.7	Restated Statement of Financial Charges
II.8	Restated Statement of Provision for Taxation
Other Annexures:	
III	Statement of Cash Flow, As Restated
IV	Statement of Significant Accounting Policies
V	Notes to the Re-stated Financial Statements
VI	Statement of Accounting & Other Ratios, As Restated
VII	Statement of Capitalization, As Restated
VIII	Statement of Tax Shelter, As Restated
IX	Statement of Related Parties & Transactions
X	Statement of Dividends
XI	Changes in the Significant Accounting Policies
XII	Contingent Liabilities

- (vii) We, M/s. Kapish Jain & Associates, 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.

- (viii) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- (ix) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- (x) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the proposed SME 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 **Kapish Jain & Associates**,
Chartered Accountants,
Firm Registration No: 022743N

Sd/-

CA Kapish Jain
Partner
Membership No: 514162
Place: New Delhi
Date: 7 April 2022
UDIN: 22514162AGPTTR3873

ANNEXURE - I
STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

Particulars	Annexure No.	As on			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
Equity & Liabilities					
1. Shareholders Fund					
a) Share capital	I.1	5,75,00,000	1,75,00,000	1,75,00,000	1,75,00,000
b) Reserves and surplus	I.2	(1,68,09,485)	(1,76,73,524)	(1,66,73,202)	(68,95,491)
Total Shareholder's Fund		4,06,90,515	(1,73,524)	8,26,798	1,06,04,509
2. Non Current Liabilities					
a) Long Term Borrowings	I.3	2,61,56,985	9,92,45,359	8,93,16,304	10,34,67,297
b) Deferred Tax Liability	I.4	-	-	-	-
c) Other Non Current Liabilities		-	3,50,00,000	3,50,00,000	3,50,00,000
d) Long Term Provisions		3,84,700	3,84,700	3,84,700	4,22,550
Total Non Current Liabilities		2,65,41,685	13,46,30,059	12,47,01,004	13,88,89,847
3. Current Liabilities					
a) Short Term Borrowings	I.5	-	10,95,51,934	33,90,49,449	13,77,30,363
b) Trade Payables	I.6	22,39,06,222	22,21,33,356	1,17,29,87,952	1,10,43,59,733
c) Other Current Liabilities	I.7	2,13,27,157	2,63,99,467	2,01,73,697	3,05,25,221
d) Short Term Provisions	I.8	3,40,980	2,56,319	-	4,34,315
Total Current Liabilities		24,55,74,359	35,83,41,076	1,53,22,11,099	1,27,30,49,632
Total Equity & Liability		31,28,06,559	49,27,97,612	1,65,77,38,901	1,42,25,43,988
4. Non-Current Assets					
a) Fixed Assets	I.9				
- Tangible Assets		2,49,62,446	3,10,20,317	3,63,95,193	4,87,41,285
- Intangible Assets		5,11,403	5,58,013	5,26,270	6,48,185
- Work-In-Progress		-	-	-	-
Total Fixed Assets					
b) Non - current Investments	I.10	-	-	-	-
c) Deferred Tax Assets (Net)	I.4	54,50,881	49,86,490	37,36,266	15,64,790
d) Long Term Loans and Advances	I.11	3,38,53,478	5,80,00,397	5,62,09,997	5,70,48,566
e) Other Non- current Assets	I.12	-	-	-	-
Total Non Current Assets		6,47,78,208	9,45,65,217	9,68,67,726	10,80,02,826
5. Current assets					
a) Inventories	I.13	21,14,20,650	19,86,20,600	14,95,20,812	13,65,83,931
b) Trade Receivables	I.14	70,64,821	16,11,08,182	1,37,91,87,913	1,14,60,09,563
c) Cash and Cash Equivalents balances	I.15	16,60,197	26,73,042	12,39,114	20,95,013
d) Short Term Loans and advances	I.16	1,98,61,590	2,78,09,478	2,29,02,243	2,18,31,562
e) Other Current Assets	I.17	80,21,093	80,21,093	80,21,093	80,21,093
Total Current Assets		24,80,28,351	39,82,32,395	1,56,08,71,175	1,31,45,41,162
Total Assets		31,28,06,559	49,27,97,612	1,65,77,38,901	1,42,25,43,988

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For Kapish Jain & Associates
Chartered Accountants
Firm Reg. No. 022743N

For and Behalf of Board
Fone4 Communications (India) Limited

Sd/-

Sd/-

Sd/-

CA Kapish Jain
Partner
Membership No. 514162
Place: - New Delhi
Date: - 7 April 2022
UDIN No: -
22514162AGPTTR3873

Sayed Hamid
Director
DIN 05167876

Roudha Zerlina
Director
DIN 05168024

ANNEXURE - II
STATEMENT OF PROFIT & LOSS, AS RESTATED

Particulars	Annexure No.	For the Period / Year ended on			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
Income					
Revenue from Operations	II.1	41,95,96,357	63,13,92,699	57,42,15,456	1,46,89,60,983
Other Income	II.2	16,60,544	66,32,012	10,03,325	5,53,28,296
Total Revenue		42,12,56,901	63,80,24,711	57,52,18,781	1,52,42,89,279
Expenditure					
Cost of Material Consumed	II.3	36,45,71,426	55,04,68,052	52,10,07,338	1,38,21,18,109
Change in Inventories	II.4	-	-	-	-
Employee Benefit Expenses	II.5	1,23,83,720	1,41,50,179	92,07,587	2,45,12,492
Other Expenses	II.6	3,15,76,532	4,65,73,223	3,05,61,407	9,44,19,321
Total Expenses		40,85,31,678	61,11,91,454	56,07,76,332	1,50,10,49,922
Profit Before Interest, Depreciation and Tax		1,27,25,223	2,68,33,257	1,44,42,449	2,32,39,357
Depreciation & Amortisation Expenses	I.9	62,57,121	1,07,33,417	1,41,83,625	1,82,34,472
Profit Before Interest and Tax		64,68,102	1,60,99,840	2,58,824	50,04,885
Financial Charges	II.7	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883
Profit before Taxation		3,99,648	(22,50,546)	(1,19,49,187)	(1,73,51,998)
Provision for Taxation	II.8	3,40,980	2,56,319	-	4,34,315
Provision for Deferred Tax		(4,64,391)	(12,50,224)	(21,71,476)	(22,51,440)
MAT Credit Entitlement		(3,40,980)	(2,56,319)	-	-
Total		(4,64,391)	(12,50,224)	(21,71,476)	(18,17,125)
Profit After Tax but Before Extra ordinary Items		8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Extraordinary Items		-	-	-	-
Profit Attributable to Minority Shareholders		-	-	-	-
Net Profit after adjustments		8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Net Profit Transferred to Balance Sheet		8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For Kapish Jain & Associates
Chartered Accountants
Firm Reg. No. 022743N

For and Behalf of Board
Fone4 Communications (India) Limited

Sd/-

Sd/-

Sd/-

CA Kapish Jain
Partner
Membership No. 514162
Place: - New Delhi
Date: - 7 April 2022
UDIN No: -
22514162AGPTTR3873

Sayed Hamid
Director
DIN 05167876

Roudha Zerlina
Director
DIN 05168024

ANNEXURE - III
STATEMENT OF CASH FLOW, AS RESTATED

PARTICULARS	For the Period / Year ended on			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax as per Profit & Loss A/c	8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Adjusted for :				
a. Depreciation	62,57,121	1,07,33,417	1,41,83,625	1,82,34,472
b. Interest Expenses & Finance Cost	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883
c. Other Adjustments	-	-	-	-
d. Interest & Other Income	(16,60,544)	(66,32,012)	(10,03,325)	(5,53,28,296)
Operating profit before working capital changes				
Adjusted for :				
a. Decrease /(Increase) in Inventories	(1,28,00,050)	(4,90,99,788)	(1,29,36,881)	(4,71,89,056)
b. Decrease / (Increase) in Trade Receivable	15,40,43,361	1,21,55,36,059	(23,51,42,780)	(1,11,58,77,614)
c. Decrease / (Increase) in Loans and Advances	2,51,59,764	(32,24,328)	16,94,468	(1,10,90,872)
d. Decrease / (Increase) in Other Assets	(4,64,391)	(12,50,224)	(21,71,476)	(39,43,268)
e. Increase / (Decrease) in Trade Payables	17,72,866	(95,08,54,596)	6,86,28,219	1,03,65,28,699
f. Increase / (Decrease) in Provisions	84,661	2,56,319	(4,34,315)	(8,47,685)
g. Increase / (Decrease) in Other Liabilities	(3,31,37,267)	62,25,770	(1,03,51,524)	(25,97,600)
Cash generated from operations				
Net Income Tax (Paid)/Refund	-	-	-	-
Net Cash Generated/(Used) From Operating Activities (A)	14,61,88,014	23,90,40,681	(17,51,03,689)	(17,52,89,210)
B. CASH FLOW FROM INVESTING ACTIVITES				
a. (Purchase) Sale of Fixed Assets	(1,52,640)	(63,19,919)	(17,15,618)	(57,51,398)
b. Interest & Other Income	16,60,544	66,32,012	10,03,325	5,52,48,466
c. Capital Introduced	4,00,00,000	-	-	-
Net Cash Generated/(Used) From Investing Activities (B)	4,15,07,904	3,12,093	(7,12,293)	4,94,97,068
C. CASH FLOW FROM FINANCING ACTIVITES				
a. Interest & Finance Cost	(60,68,454)	(1,83,50,386)	(1,22,08,011)	(2,23,56,883)
b. (Repayments) / proceeds of long term borrowings	(7,30,88,374)	99,29,055	(1,41,50,993)	2,88,65,204
c. (Repayments) / proceeds of short term borrowings	(10,95,51,934)	(22,94,97,515)	20,13,19,087	9,75,22,838
Net Cash Generated/(Used) From Financing Activities (C)	(18,87,08,763)	(23,79,18,846)	17,49,60,083	10,40,31,159
Net Increase / (Decrease) in cash and cash equivalents	(10,12,845)	14,33,928	(8,55,899)	(2,17,60,983)
Cash and cash equivalents at the beginning of the year	26,73,042	12,39,114	20,95,013	2,38,55,996
Cash and cash equivalents at the end of the year	16,60,197	26,73,042	12,39,114	20,95,013

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

Annexure – I.1

Restated Statement of Share Capital

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Authorised Share Capital				
No. of equity share of Rs. 10/- each	90,00,000	30,00,000	30,00,000	30,00,000
Authorised Share Capital	9,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
Issued, Subscribed & Fully Paid-up				
No. of equity share of Rs. 10/- each	57,50,000	17,50,000	17,50,000	17,50,000
Issued, Subscribed & Fully Paid-up	5,75,00,000	1,75,00,000	1,75,00,000	1,75,00,000

Note: The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

Reconciliation of No. of Shares Outstanding at the end of the year

(No. of Equity Shares)

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Shares outstanding at the beginning of the year	17,50,000	17,50,000	17,50,000	17,50,000
Shares issued during the year	40,00,000	-	-	-
Bonus Issued during the year	-	-	-	-
Share outstanding at the end of the year	57,50,000	17,50,000	17,50,000	17,50,000

Details of Shareholding more than 5% of the aggregate shares in the company

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Sayyad Hamid				
No. of Shares	28,75,000	87,50,000	87,50,000	87,50,000
% of holding	50%	50%	50%	50%

Roudha Zerlina

No. of Shares	28,75,000	87,50,000	87,50,000	87,50,000
% of holding	50%	50%	50%	50%

Annexure – I.2

Restated Statement of Reserve & Surplus

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Statement of Profit & Loss				
Opening balance	(1,76,73,524)	(1,66,73,202)	(68,95,491)	86,39,382
Add: Profit for the year	8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Total	(1,68,09,485)	(1,76,73,524)	(1,66,73,202)	(68,95,491)
Less: Utilised for Bonus Issue	-	-	-	-
Balance as at the end of the year	(1,68,09,485)	(1,76,73,524)	(1,66,73,202)	(68,95,491)
Security Premium Reserve	-	-	-	-
Revaluation Reserves	-	-	-	-
Other Reserves, If Any (Please Specify)	-	-	-	-
Total Reserve & Surplus	(1,68,09,485)	(1,76,73,524)	(1,66,73,202)	(68,95,491)

Annexure – I.3

Restated Statement of Long Term Borrowings

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Secured Loans				
(b) Term Loan From South Indian Bank				
(Secured by way of first charge on the stock and receivables, Immovable Property of the Director and further guaranteed by the promoters & directors. Principal to be 76 monthly instalment of Rs.226315 each. And interest @ 9.95%p.a)	-	1,34,26,120	1,41,45,947	1,68,91,025
(c) Term Loan from Hero Fincorp Limited				
(Secured by way of first charge on the stock and receivables, Immovable Property of the Director and further guaranteed by the promoters & directors. Loan	-	2,89,43,013	3,05,87,508	2,63,11,966

amount to be repaid in 120 equal monthly instalments of Rs 487091 each including interest @ 11.25% p.a)				
(d) Long Term Maturities of Finance Lease Obligation				
(Hire Purchase Loan for Audi Car to be paid in 60 equal monthly instalments of Rs 94210 each including interest @ 9.36% p.a)	-	-	-	7,45,311
(e) Long Term Maturities of Finance Lease Obligation				
(Hire Purchase Loan for Lexus Car to be paid in 60 equal monthly instalments of Rs 117458 each including interest@ 8.95%)	-	37,62,640	43,91,931	48,90,906
(f) Term Loan From South Indian Bank		1,67,22,286	-	-
	-	6,28,54,059	4,91,25,386	4,88,39,209
Unsecured Loans				
Loans from Banks / Financial Institutions				
- Incured Financials Service Limited	1,46,51,680	1,76,46,017	2,02,82,524	2,53,31,717
Loans from Directors				
- Sayyed Hamid	-	-	-	33,52,892
- Roudha Zerlina	18,13,500	-	-	-
Loans from Related Parties (Inter Corporate Deposits)				
- Future Events Enterprises Private Limited	96,91,805	1,87,45,284	1,99,08,394	2,59,43,479
	2,61,56,985	3,63,91,301	4,01,90,918	5,46,28,088
Total	2,61,56,985	9,92,45,359	8,93,16,304	10,34,67,297

Annexure – I.4

Restated Statement of Deferred Tax Liabilities/Assets

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Deferred Tax Assets/Liabilities Provision				
WDV As Per Companies Act 2013	2,54,73,849	3,15,78,330	3,69,21,463	4,93,89,470
WDV As Per Income tax Act	4,64,38,777	5,07,57,139	5,12,91,717	5,67,12,740
Difference in WDV	(2,09,64,928)	(1,91,78,809)	(1,43,70,254)	(73,23,270)
(DTA)/DTL	(54,50,881)	(49,86,490)	(37,36,266)	(19,04,050)
Deferred Tax Assets Provision				
Opening Balance of (DTA)/DTL	(49,86,490)	(37,36,266)	(15,64,790)	6,86,650
Add: Provision for the year	(4,64,391)	(12,50,224)	(21,71,476)	(22,51,440)
Closing Balance of (DTA)/DTL	(54,50,881)	(49,86,490)	(37,36,266)	(15,64,790)

Restated Statement of Other Non Current Liabilities

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Deferred Trade Payable				
- United Infotech		3,50,00,000	3,50,00,000	3,50,00,000
Total	-	3,50,00,000	3,50,00,000	3,50,00,000

Restated Statement of Long Term Provision

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Provision for Employee Benefits	3,84,700	3,84,700	3,84,700	4,22,550
Total	3,84,700	3,84,700	3,84,700	4,22,550

Annexure – I.5

Restated Statement of Short Term Borrowings

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Secured Loans				
(b) Overdraft from ICICI Bank Ltd. (Secured by way of Firt Charge on the stock and receivables, Immovable Property of the Director and further guaranteed by the promoter director)		-	31,86,729	-
(c) Business Loan from ICICI Bank (Secured by way of Firt Charge on the stock and receivables, Immovable Property of the Director and further guaranteed by the promoter director. Loan to be paid in 36 equal monthly instalments of Rs 104196 each & interest @ 14.99% p.a)		-	8,81,760	19,14,192
(d) Overdraft From South Indian Bank (Secured by way of Firt Charge on the stock and receivables, Immovable Property of the Director and further guaranteed by the promoter director)		5,69,58,981	6,91,92,864	6,76,49,966
	-	5,69,58,981	7,32,61,352	6,95,64,158
Unsecured Loans				
Loans from Banks / Financial Institutions	-	3,02,45,267	25,34,02,723	6,81,66,205
Loans from Related Parties	-	2,23,47,686	1,23,85,374	-
	-	5,25,92,953	26,57,88,097	6,81,66,205
Total	-	10,95,51,934	33,90,49,449	13,77,30,363

Annexure – I.6

Restated Statement of Trade Payables

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
MSME Creditors				
Other Creditors	22,39,06,222	22,21,33,356	1,17,29,87,952	1,10,43,59,733
Total	22,39,06,222	22,21,33,356	1,17,29,87,952	1,10,43,59,733

Annexure – I.7

Restated Statement of Other Current Liabilities

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Current maturities of long term debts		-	-	74,45,444
Statutory Dues Payable	43,16,700	32,90,568	32,42,284	51,53,686
Creditors for capital assets	1,90,942	6,74,439	5,97,173	9,33,634
Expenses Payable	1,37,34,810	1,94,10,083	1,45,16,639	1,32,23,962
Advances from Customer	10,51,305	23,45,960	13,08,962	22,80,088
Employee related payable	20,33,400	6,78,417	5,08,639	14,88,407
Total	2,13,27,157	2,63,99,467	2,01,73,697	3,05,25,221

Annexure – I.8

Restated Statement of Short Term Provision

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Provision for Income Tax for Earlier Year	-	-	-	-
Provision for Income Tax Current Year	3,40,980	2,56,319	-	4,34,315
Total	340980	2,56,319	-	4,34,315

Annexure – I.9

Restated Statement of Fixed Assets

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
(A) Tangible Assets				
Furniture & Fittings				
Gross Block - Opening Balance	5,51,60,764	5,50,83,070	5,49,74,817	5,49,34,817
Addition/Sale during the year	-	77,694	1,08,253	40,000
Gross Block - Closing Balance	5,51,60,764	5,51,60,764	5,50,83,070	5,49,74,817
Accumulated Depreciation - Opening Balance	3,49,38,195	2,78,89,243	1,84,19,567	56,50,570

Depreciation during the year	39,26,717	70,48,952	94,69,676	1,27,68,997
Accumulated Depreciation - Closing Balance	3,88,64,912	3,49,38,195	2,78,89,243	1,84,19,567
Net Block	1,62,95,852	2,02,22,569	2,71,93,827	3,65,55,250
Computers & Other Accessories				
Gross Block - Opening Balance	34,38,464	34,23,769	34,23,769	32,59,681
Addition/Sale during the year	-	14,695	-	1,64,088
Gross Block - Closing Balance	34,38,464	34,38,464	34,23,769	34,23,769
Accumulated Depreciation - Opening Balance	33,36,016	31,71,991	27,40,332	16,50,796
Depreciation during the year	48,530	1,64,025	4,31,659	10,89,536
Accumulated Depreciation - Closing Balance	33,84,546	33,36,016	31,71,991	27,40,332
Net Block	53,918	1,02,448	2,51,778	6,83,437
Leasehold Improvement				
Gross Block - Opening Balance	76,09,928	18,01,433	4,60,080	-
Addition/Sale during the year	19,522	58,08,495	13,41,353	4,60,080
Gross Block - Closing Balance	76,29,450	76,09,928	18,01,433	4,60,080
Accumulated Depreciation - Opening Balance	15,44,011	3,64,392	82,538	-
Depreciation during the year	11,77,850	11,79,619	2,81,854	82,538
Accumulated Depreciation - Closing Balance	27,21,861	15,44,011	3,64,392	82,538
Net Block	49,07,589	60,65,917	14,37,041	3,77,542
Electrical Equipments and Fittings				
Gross Block - Opening Balance	11,58,443	9,87,091	9,40,446	-
Addition/Sale during the year	-	1,71,352	46,645	9,40,446
Gross Block - Closing Balance	11,58,443	11,58,443	9,87,091	9,40,446
Accumulated Depreciation - Opening Balance	5,70,424	4,00,298	1,98,018	-
Depreciation during the year	1,14,179	1,70,126	2,02,280	1,98,018
Accumulated Depreciation - Closing Balance	6,84,603	5,70,424	4,00,298	1,98,018
Net Block	4,73,840	5,88,019	5,86,793	7,42,428
Office Equipments				
Gross Block - Opening Balance	53,25,082	53,24,882	53,24,782	51,62,276
Addition/Sale during the year	15,254	200	100	1,62,506
Gross Block - Closing Balance	53,40,336	53,25,082	53,24,882	53,24,782
Accumulated Depreciation - Opening Balance	33,52,207	29,16,242	23,83,858	17,37,301
Depreciation during the year	2,67,816	4,35,965	5,32,384	6,46,557
Accumulated Depreciation - Closing Balance	36,20,023	33,52,207	29,16,242	23,83,858
Net Block	17,20,313	19,72,875	24,08,640	29,40,924
Vehicles				
Gross Block - Opening Balance	39,30,769	1,28,16,169	1,28,16,169	89,85,400
Addition/Sale during the year	-	(88,85,400)	-	38,30,769
Gross Block - Closing Balance	39,30,769	39,30,769	1,28,16,169	1,28,16,169
Accumulated Depreciation - Opening Balance	18,62,280	82,99,055	53,74,465	23,43,475
Depreciation during the year	5,57,555	15,18,990	29,24,590	30,30,990
Adjustment during the year	-	(79,55,765)	-	-
Accumulated Depreciation - Closing Balance	24,19,835	18,62,280	82,99,055	53,74,465
Net Block	15,10,934	20,68,489	45,17,114	74,41,704
Total Net Block of Tangible Assets	2,49,62,446	3,10,20,317	3,63,95,193	4,87,41,285
B) Intangible Assets				
Software				
Gross Block - Opening Balance	18,76,961	16,29,478	14,10,211	12,56,702
Addition/Sale during the year	-	2,47,483	2,19,267	1,53,509
Gross Block - Closing Balance	18,76,961	18,76,961	16,29,478	14,10,211
Accumulated Depreciation - Opening Balance	13,18,948	11,03,208	7,62,026	3,44,190
Depreciation during the year	1,64,474	2,15,740	3,41,182	4,17,836
Accumulated Depreciation - Closing Balance	14,83,422	13,18,948	11,03,208	7,62,026
Net Block	5,11,403	5,58,013	5,26,270	6,48,185
Total Net Block of Intangible Assets	5,11,403	5,58,013	5,26,270	6,48,185

C) Work-In-Progress	-	-	-	-
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Annexure – I.10

Restated Statement of Non - Current Investments

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
	-	-	-	-
Total	-	-	-	-

Annexure – I.11

Restated Statement of Long Term Loans & Advances

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Security deposits:				
- with statutory authorities		-	-	-
- with others	3,38,53,478	3,49,98,478	3,32,08,078	3,40,49,826
Inter Corporate Loans to related party				
- Springstay Hotels and Resorts Private Limited	-	2,30,01,919	2,30,01,919	2,29,98,740
Advances to suppliers		-	-	-
Total	3,38,53,478	5,80,00,397	5,62,09,997	5,70,48,566

Annexure – I.12

Restated Statement of Other Non-current Assets

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Balance in deposits with original maturity of more than 12 months	-	-	-	-
Total	-	-	-	-

Annexure – I.13

Restated Statement of Inventories

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Inventories	21,14,20,650	19,86,20,600	14,95,20,812	13,65,83,931
Total	21,14,20,650	19,86,20,600	14,95,20,812	13,65,83,931

Annexure – I.14

Restated Statement of Trade Receivables

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Debts outstanding for a period exceeding six months from the date they became due for payment				
Unsecured & Considered Good	16,52,205	-	-	31,84,350
Other Receivables				
Unsecured & Considered Good	54,12,616	16,11,08,182	1,37,91,87,913	1,14,28,25,213
Total	70,64,821	16,11,08,182	1,37,91,87,913	1,14,60,09,563

Annexure – I.15

Restated Statement of Cash and Cash Equivalent

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Cash In Hand	6,50,813	7,07,204	22,445	9,99,428
Balance With Bank (in Current Accounts)	10,09,384	19,65,838	12,16,669	5,27,689
Other bank balances				
Balance in deposits with original maturity of more than 3 months but less than 12 months	-	-	-	5,67,896
Total	16,60,197	26,73,042	12,39,114	20,95,013

Annexure – I.16

Restated Statement of Short Term Loans and Advances

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
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Loans and Advances to others Unsecured, Considered Good				
Security deposits:				
- with statutory authorities	5,53,166	5,94,832	5,94,832	5,48,899
- with others		-	-	-
Advances to suppliers	28,25,798	57,12,414	42,31,113	39,81,126
Advance recoverable in cash or kind	26,17,390	28,67,623	30,38,010	27,45,665
Duties and Taxes recoverable	1,36,80,858	1,57,08,056	1,15,46,830	70,23,470
Other Loans and Advances	1,84,378	29,26,553	34,91,458	75,32,402
Total	1,98,61,590	2,78,09,478	2,29,02,243	2,18,31,562

Annexure – I.17

Restated Statement of Other Current Assets

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Interest Receivables	79,830	79,830	79,830	79,830
Other Receivables	79,41,263	79,41,263	79,41,263	79,41,263
Total	80,21,093	80,21,093	80,21,093	80,21,093

Annexure –II.1

Restated Statement of Revenue from operations

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Sales & Services				
- Domestic Sales	41,95,96,357	63,13,92,699	57,42,15,456	1,46,89,60,983
- Export Sales	-	-	-	-
Total	41,95,96,357	63,13,92,699	57,42,15,456	1,46,89,60,983

Annexure –II.2

Restated Statement of Revenue from Other Income

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Interest on Fixed Deposit	66,109	-	-	37,119
Commission Received	6,07,931	-	350	1,97,619
Discount Received & Schemes and incentives	4,87,179	19,56,320	2,08,438	5,36,75,378
Other Income	4,99,325	46,75,692	7,94,537	14,18,180
Total	16,60,544	66,32,012	10,03,325	5,53,28,296

Annexure –II.3

Restated Statement of Cost of Materials Consumed

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Opening Stock	19,86,20,600	14,95,20,812	13,65,83,931	8,93,94,874
Add: Purchase during the Years	37,73,71,476	59,95,67,840	53,39,44,219	1,42,93,07,166
Less: Closing Stock	21,14,20,650	19,86,20,600	14,95,20,812	13,65,83,931
Cost of Material Consumed	36,45,71,426	55,04,68,052	52,10,07,338	1,38,21,18,109

Annexure –II.4

Restated Statement of Change in Inventory

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Work In Progress	-	-	-	-
Total	-	-	-	-

Annexure –II.5

Restated Statement of Employees Benefit Expenses

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Salaries, Wages & Bonus	1,21,44,531	1,38,45,802	88,86,116	2,33,54,888
Contribution to Provident and Other Funds	-	-	33,999	2,36,536
Staff Welfare	2,39,189	3,04,377	2,87,472	9,21,068
Total	1,23,83,720	1,41,50,179	92,07,587	2,45,12,492

Annexure –II.6

Restated Statement of Other Expenses

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Payment To Auditors	2,10,900	2,90,667	2,19,000	2,50,000
Rent, Rate and Taxes	1,36,08,992	2,28,53,349	1,74,31,970	4,00,79,261
Advertisement & Business Promotion	38,32,725	37,19,400	32,87,612	87,67,513
Boarding & lodging expense	-	14,60,642	-	5,200
Brokerage	-	-	-	1,14,000
Bank Charges	3,20,656			
Inspection charges	3,540	30,308	19,200	-
General expense	94,330	1,02,417	60,000	-
Professional Charges	6,78,600	4,07,000	4,90,412	7,33,654
Power and Fuel	31,37,988	47,07,131	16,05,144	67,06,577
Repairs and Maintenance	17,62,432	23,88,943	18,13,627	18,45,725
Travelling & Conveyance	2,20,719	3,56,061	5,22,231	5,29,814
Security Charges	6,345	-	58,800	9,33,439
Buy back redemption	-	-	-	66,78,854
Acomodation Expenses	40,000	38,787	-	-
Printing and Stationery	9,78,238	8,94,545	13,64,078	11,24,367

Insurance Charges	6,85,838	9,44,884	5,49,587	6,68,314
Office Expenses	61,343	1,50,206	76,811	2,75,266
Other expense	28,505	-	20,542	2,39,978
Service Charges	3,31,777	25,89,503	1,23,156	97,293
Miscellaneous Expenses	500	568	912	14,152
Market expense	-	-	-	1,900
Bad debt	-	36,739	2,70,646	36,58,883
Donation	5,020	17,370	84,170	89,226
Discount allowed	-	-	-	1,41,58,747
Cleaning charges	3,44,085	6,20,315	1,20,000	9,72,121
Commission on sales	-	944	-	22,780
Courier charges	5,29,131	7,49,148	-	6,78,334
DBD charges	(9,382)	1,63,184	8,416	94,513
DCEMI charges	1,06,121	1,55,152	59,133	2,866
EMI Transaction fee	-	-	461	967
EPF Administration charges	-	-	-	6,051
Frighr Charges	-	-	1,919	4,680
Finance Rebooking case	-	-	-	31,163
Food and Beverage Charges	83,887	1,67,063	-	-
Spot Incentive	-	-	23,670	33,370
Subvention Charges	-	-	-	1,35,790
Incentives	15,10,511	2,71,885	-	2,59,603
Inuageral & Festival expense	-	7,095	42,220	1,23,768
Internet charges	2,92,861	4,78,271	5,83,356	7,96,614
Interest on tds	-	-	1,50,000	30,417
Late fee	27,581	43,237	12,976	5,10,472
Legal charges	3,69,094	4,35,777	5,44,267	3,41,273
Loading & unloading charges	18,219	84,675	73,582	1,167
Labour charges	-	3,16,855	-	2,500
Newspapers & Periodicals	21,750	6,639	12,512	24,325
Merchant service fee	12,26,390	-	-	15,18,983
Paytm commission	-	177	6,764	3,83,904
Penalty & late fee	2,09,783	2,42,512	-	1,06,660
Processing fee	5,77,256	4,81,422	58,023	3,14,655
Packing charges	-	-	200	130
Pinelabs service fee	-	-	49,847	25,294
Refreshment charges	-	-	77,818	1,37,301
Showroom Expense	-	7,57,361	5,788	3,73,771
Software maintenance charge	-	-	-	2,600
Telephone charges	1,51,926	1,79,312	2,04,189	1,39,177
Transportation charges	12,796	93,005	1,20,118	82,611
Uniform sticthing charges	-	1,17,141	2,12,855	67,324
Utility charges	48,400	1,17,776	91,788	53,928
Valuation fee	-	-	-	21,000
Water charges	47,674	95,757	1,03,607	1,47,045
Total	3,15,76,532	4,65,73,223	3,05,61,407	9,44,19,321

Annexure –II.7

Restated Statement of Financial Charges

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Interest on Loan	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883
Total	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883

Annexure –II.8

Restated Statement of Provision For Taxation

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Current Tax	3,40,980	2,56,319	-	4,34,315
Deferred Tax	(4,64,391)	(12,50,224)	(21,71,476)	(22,51,440)

Annexure IV

A. Background of the Company:

Fone4 Communications (India) Limited (“the Company”) is a limited Company domiciled in India, incorporated on 8th May 2014 under the provisions of the Companies Act, 2013 bearing Corporate Identification Number U51506KL2014PLC036625 issued by the Registrar of Companies, Ernakulam, Kerala. The Company is mainly involved into the retail business mobile phones, electronic gadgets, mobile phone accessories, computer/laptop and computer/laptop parts and other electronic consumer durables.

B. Statement of Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements:

The Restated Summary Statement of the Assets and Liabilities of the Company as at 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flow thereof (collectively referred to as ‘Restated Summary Statements’) have been compiled by the management of the Company and have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’) in connection with the proposed Initial Public Offering (hereinafter referred to as ‘IPO’).

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India(Indian GAAP), including the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) rules 2015.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees.

1.2 Use of Estimates:

The preparation of the Standalone Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Standalone Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

1.3 Fixed Assets:

Fixed Assets are stated at cost less depreciation. The cost of an asset comprises its purchase price and directly attributable expenses. Expenditure for addition and improvements are capitalized as and when incurred.

1.4 Depreciation:

Depreciation/Amortization on fixed assets has been provided on written down method based on useful life of the assets and in manner prescribed in the Schedule II of Companies Act, 2013.

1.5 Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is reasonably certain, the associated costs and possible return of goods can be estimatedreliably, there is no continuing management involvement with the goods and the amount of revenue can be measuredreliably and stated net of Goods & Services Tax, Sales Tax, VAT, trade discounts and rebates. Interest income is recognized on time proportion basis, taking into account outstanding amount and the applicable interest rate. Dividend income is accounted when the Company’s right to receive dividend is established.

1.6 Taxes on Income:

Provision for current tax is made in terms of provisions of the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enactedor substantively enacted by Balance sheet date, the deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence thatthe Company will pay normal income tax during the specified period. The Company reviews the same at each balancesheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

1.7 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

1.8 Provisions/Contingencies:

A provision is recognized when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit and Loss) based on estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to present value. Contingent assets are neither recognized nor disclosed in the financial statements.

1.9 Borrowing Cost:

Borrowing Cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.10 Inventory:

Inventories are valued at cost or net realizable value whichever is lower and on FIFO method.

1.11 Foreign Currency Transactions:

There is no foreign currency transaction in this Company.

1.12 Segment Information:

Based on the principles for determination of segments given in Accounting Standard 17 “Segment Reporting” issued by accounting standard notified by Companies (Accounting Standard) Rules, 2008, the Company is mainly engaged in the activity surrounded with main business of the Company hence there is no reportable segment.

1.13 Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which as the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

The Company found no indication that any asset may be impaired. Therefore, there was no need to determine impairment Loss. Other disclosure requirements as per mandatory Accounting Standard AS – 28 are not applicable in the case of the Company.

1.14 Prior Period Expenditure:

The change in estimate due to error or omission in earlier period is treated as prior period items. The items in respect of which liability has arisen/crystallized in the current year, though pertaining to earlier year is not treated as prior period expenditure.

1.15 Extra Ordinary Items:

The income or expenses that arise from event or transactions which are clearly distinct from the ordinary activities of the Company and are not recurring in nature are treated as extra ordinary items. The extra ordinary items are disclosed in the statement of profit and loss as a part of net profit or loss for the period in a manner so as the impact of the same on current profit can be perceived.

1.16 Impact of Covid19:

On the basis of assessment of the impact of the outbreak of COVID-19 on business operations of the entity, the entity’s management may conclude that no adjustment are required in the financial statement as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, some of the various preventive measures taken are still in force, leading to highly uncertain economic environment. Due to these circumstances, the management’s assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.

1.17 Employee Benefits:

Provision for liabilities in respect to gratuity benefits are not made. However, it will be recognized as an expense in the Restated Statement of Profit & Loss on actual basis during the period in which the eligible employee leaves the services of the Company and settlements of his due are made on actual calculation

Annexure –V**Notes to the Re-stated Financial Statements:****I. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

II. Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit & Loss and Cash flows wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

III. Material Adjustments in Restated Profit & Loss Account:

Particulars	For the period / year ended			
	31/12/2021	31/03/2021	31/03/2020	31/03/2019
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	8,64,039	16,52,945	(1,84,57,289)	(1,49,53,863)
Adjustment for provision of Depreciation	-	(39,43,624)	1,23,42,350	-
Adjustment for provision of Income Tax	-	-	-	1,78,245
Adjustment for provision of Deferred Tax	-	12,90,357	(36,62,772)	(7,59,255)
Net Profit After Tax as per Restated	8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)

Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:

- a) **Adjustment for provision of Depreciation:** Depreciation Expenses has been restated using WDV Method at the useful life as specified in Schedule-II of Companies Act, 2013.
- b) **Adjustment for provision of Income Tax:** Due to above restatement impacts, income tax expense has been restated as per Statement of Tax Shelters and presented accordingly.
- c) **Adjustment for provision of Deferred Tax:** The Company has not recognized deferred tax asset on temporary differences which has now been restated and impact has been given in the respective periods at income tax rates as applicable to the respective periods.

IV. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 December, 2021, 31 March 2021, 31 March 2020 and 31 March 2019 as Micro, Small or Medium enterprises. Consequently, the amount paid/payable to these parties could not be ascertainable.

There are no micro and small enterprises, as defined in the micro and small enterprises development act, 2006, to whom the Company owes dues on account of principal amount together with the interest and accordingly no additional disclosures have been made. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- V. Other figures of the previous periods/years have been regrouped / reclassified and / or rearranged wherever necessary.
- VI. As required under SEBI (ICDR) Regulations, the Statement of Assets and Liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.

VII. Expenditure in Foreign Currency: Nil

VIII. Earnings in Foreign Exchange: Nil

IX. Leave Encashment [AS-15]

Accounting Standard (AS) – 15 issued by ICAI is Mandatory. However, the Company has not made provision for leave encashment benefits on retirement of employee as the quantum of liability is not ascertainable due to the non-availability of leaves entitlement, availment of leaves during the service period and carried over the balance leaves to the next financial year.

X. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits

Balances of Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits are subject to confirmation and reconciliation.

XI. Re-grouping/re-classification of amounts

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

XII. Examination of Books of Accounts & Contingent Liability

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

XIII. Director Personal Expenses

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

XIV. Deferred Tax Asset / Liability: [AS-22]

The Company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22.

ANNEXURE –VI

Statement of Accounting & Other Ratios, As Restated

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Net Profit as Restated	8,64,039	(10,00,322)	(97,77,711)	(1,55,34,873)
Add: Depreciation	62,57,121	1,07,33,417	1,41,83,625	1,82,34,472
Add: Interest on Loan	60,68,454	1,83,50,386	1,22,08,011	2,23,56,883
Add: Income Tax	(4,64,391)	(12,50,224)	(21,71,476)	(18,17,125)
EBITDA	1,27,25,223	2,68,33,257	1,44,42,449	2,32,39,357
EBITDA Margin (%)	3.02%	4.21%	2.51%	1.52%
Net Worth as Restated	4,06,90,515	(1,73,524)	8,26,798	1,06,04,509
Return on Net worth (%) as Restated	2.12%	576.47%	-1182.60%	-146.49%
Equity Share at the end of year (in Nos.)	57,50,000	17,50,000	17,50,000	17,50,000
Weighted No. of Equity Shares	57,50,000	17,50,000	17,50,000	17,50,000
Basic & Diluted Earnings per Equity Share as Restated	0.15	(0.57)	(5.59)	(8.88)
Net Asset Value per Equity share as Restated	7.08	(0.10)	0.47	6.06

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.

ANNEXURE –VII

Statement of Capitalization, As Restated

Particulars	Pre-Issue	Post Issue*
	31-12-2021	
Debt :		
Short Term Debt	-	-
Long Term Debt	2,61,56,985	2,61,56,985
Total Debt	2,61,56,985	2,61,56,985
Shareholders Funds		
Equity Share Capital	5,75,00,000	17,05,00,000
Reserves and Surplus	(1,68,09,485)	(1,68,09,485)
Less: Misc. Expenditure	-	-
Total Shareholders' Funds	4,06,90,515	15,36,90,515
<i>Long Term Debt/ Shareholders' Funds</i>	<i>0.64</i>	<i>0.17</i>
Total Debt / Shareholders Fund	0.64	0.17

* Assuming Full Allotment of IPO shares

ANNEXURE –VIII

Statement of Tax Shelter, As Restated

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Profit Before Tax as per books of accounts (A)	3,99,648	(22,50,546)	(1,19,49,187)	(1,73,51,998)
-- Normal Tax rate	26.00%	26.00%	26.00%	26.00%
-- Minimum Alternative Tax rate	15.60%	15.60%	15.60%	19.24%
Permanent differences				
Expenses Disallowances	-	-	9,04,573.00	90,16,808.00
Total (B)	-	-	9,04,573.00	90,16,808.00
Timing Differences				
Depreciation as per Books of Accounts	62,57,121	1,07,33,417	1,41,83,625	1,82,34,472
Depreciation as per Income Tax	44,71,002	68,39,802	71,36,640	82,28,841
Difference between tax depreciation and book depreciation	17,86,119	38,93,615	70,46,985	1,00,05,631
Other adjustments	-	-	-	-
Total (C)	17,86,119	38,93,615	70,46,985	1,00,05,631
Net Adjustments (D = B+C)	17,86,119	38,93,615	79,51,558	1,90,22,439
Total Income (E = A+D)	21,85,767	16,43,069	(39,97,629)	16,70,441
Brought forward losses set off (F)	(21,85,767)	(16,43,069)	-	-
Taxable Income/ (Loss) for the year/period (E+F)	-	-	(39,97,629)	16,70,441
Tax Payable for the year/period	-	-	-	4,34,315
Tax payable as per MAT	3,40,980	2,56,319	-	3,21,393
Tax expense recognised	3,40,980	2,56,319	-	4,34,315
Tax payable as per normal rates or MAT (whichever is higher)	MAT	MAT	Income Tax	Income Tax

ANNEXURE –IX

Statement of Related Parties & Transactions

The Company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

Name of the key managerial personnel/Entity	Relationship
Sayyed Hamid	Director
Roudha Zerlina	Director
Sayyed Haris Sayyed Imbichi	Director
Aksar Gulab Ali	Relative of Director
Future Events Enterprises Private Limited	Company in which directors are interested
Future Events Enterprises	Partnership firm in which directors are interested
Springstay Hotels and Apartments Private Limited	Company in which directors are interested
Fone4 Communications	Partnership firm in which directors are interested
Fone4	Partnership firm in which directors are interested
Smoking Burg Private Limited	Company in which directors are interested
Pudding Jar	Partnership firm in which directors are interested
Zion Communications	Partnership firm in which directors are interested

Transactions with Related Parties:

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Purchase of Material				
Future Events Enterprises	1,05,58,074	95,30,171	2,67,10,741	95,38,17,953
Springstay Hotels and Apartments Private Limited	-	-	-	2,44,260
Fone4	19,04,705	23,43,633	2,82,413	60,442
Sale of Material				
Future Events Enterprises Private Limited	78,296	13,71,812	1,32,45,573	2,93,83,036
Fone4	23,04,160	2,00,22,995	1,69,03,393	53,89,88,291
Smoking Burg Private Limited	61,361	48,749	-	-
Pudding Jar	59,997	15,900	-	-
Unsecured Loans Received from / (Repaid to)				
Sayyed Hamid	-	-	(33,52,892)	33,52,892
Roudha Zerlina	18,13,500	-	-	-
Aksar Gulab Ali *	(2,23,47,686)	99,62,312	1,23,85,374	-
Future Events Enterprises Private Limited	(90,53,479)	(11,63,110)	(60,35,085)	98,86,612
Loans & Advances Given to / (Received back from)				
Springstay Hotels and Apartments Private Limited	(2,30,01,919)	-	3,179	4,95,740
Balance outstanding as at end of the year				
Sayyed Hamid	-	-	-	(33,52,892)
Roudha Zerlina	(18,13,500)	-	-	-
Future Events Enterprises Private Limited (Loan)	(96,91,805)	(1,87,45,284)	(1,99,08,394)	(2,59,43,479)
Future Events Enterprises (Trade Payable)	-	-	(1,00,50,22,697)	(1,01,09,27,514)
Springstay Hotels and Apartments Private Limited	-	2,30,01,919	2,30,01,919	2,29,98,740
Fone4	-	-	75,48,68,574	61,21,42,394
Zion Communications	-	-	46,82,33,824	46,82,33,824

* During the nine months ended on 31st December 2021, the Company has entered into an agreement with Mr Aksar Gulab Ali for settlement of his dues with the certain trade receivables, loans & advances recoverables, other assets, long & short term borrowings and trade payables outstanding as on the date of settlement. This has resulted in netted off the figures with the due balances.

ANNEXURE –X

Statement of Dividends

No Dividend Paid till Date

ANNEXURE –XI

Changes in the Significant Accounting Policies

There have been no changes in the accounting policies of the company for the period covered under audit.

ANNEXURE –XII

Contingent Liabilities:

- The Company has been registered under PF Act, however, the provisions of the Act have not been followed up during the period under review. The impact of the same cannot be ascertained.
- The Company has not considered the impact of provisions of AS 15 Provision for Retirement benefits. The impact of the same is not ascertainable. However, it will be recognized as an expense on actual basis.

FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of the issuer Company, **Fone4 Communications (India) Limited** and further explanations and information provided by the management of the Companies, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at 31st December 2021 are as mentioned below:

Nature of Borrowing	Outstanding as on 31/12/2021
Secured Loan (A)	-
Unsecured Loan (B)	2,61,56,985
Total	2,61,56,985

A. Secured Loans

Name of Lender	Purpose	Sanctioned Amount (Rs.)	Outstanding As on 31/12/2021
Not Applicable	Not Applicable	-	-
		-	-

B. Unsecured Loans

Name of Lender	Purpose	Date of Sanctioned	Repayment Terms	Sanctioned Amount (Rs.)	Outstanding As on 31/12/2021
Short Term Loan from Directors	Business	NA	On Demand	NA	18,13,500
Incurd Financials Service Limited	Business	NA	On Demand	NA	1,46,51,680
Future Events Enterprises Private Limited	Business	NA	On Demand	NA	96,91,805
					2,61,56,985

During the nine months ended on 31st December 2021, the Company has entered into an agreement with Mr. Aksar Gulab Ali for settlement of his dues with the certain trade receivables, loans & advances recoverables, other assets, long & short term borrowings and trade payables outstanding as on the date of settlement. This has resulted in netted off the figures with the due balances.

For Kapish Jain & Associates,
Chartered Accountants,
Firm Registration No: 022743N

Sd/-

Kapish Jain
Partner
Membership No: 514162

Place: New Delhi
Date: 7 April 2022
UDIN 22514162AGPTZU2244

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the period ended on 31st December 2021 and financial year ended on 31st March 2021, 31st March 2020 and 31st March 2019 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this prospectus. You should also see the section titled “Risk Factors” beginning on page 17 of this prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.

These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated 7 April 2022 which is included in this prospectus under the section titled “Financial Information as Restated” beginning on page 104 of this prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “Risk Factors” and “Forward Looking Statements” beginning on pages 17 and 13 respectively, and elsewhere in this prospectus

Accordingly, the degree to which the financial statements in this prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled “Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation” beginning on page 11 of this prospectus.

BUSINESS OVERVIEW

Our company mainly deals in Mobile phones, accessories and other electronic gadgets since incorporation. Our company has a wide range of offerings through both online as well as offline platform for electronic gadgets and accessories for Smart Phones, Laptops, Smart Television etc on the likes of Apple, Samsung, Oppo, Vivo, Xiaomi, Nokia, Redmi, Techno, Karbonn, One Plus, Dell, Lenovo, Asus, HP, Acer, Avita, TCL, LG, Sansui etc. Our Company is one of the fastest growing Multi Brand Retail Chain outlet in Kerala and currently having 25 retail outlet showrooms in Kerala.

In the past, Our business has been impacted due to flood impact in entire Kerala during the year 2018 - 2019, due to which many of our showroom got damaged and our business has impacted. We are suffering loss due to high Depreciation provision and finance cost, which is expecting to be reduce in near future gradually. We have already re-paid all our loans taken from bank till September 30, 2021 and also planning to make our company totally loan free gradually. *For Detailed information on our business, please refer to chapter titled “Our Business” and “Restated Financial Information” beginning from page no. 67 and 104 of this prospectus respectively.*

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e., December 31, 2021 as disclosed in this prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors have decided to get their equity shares listed on SME Exchange of BSE Limited and pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on March 12, 2022 proposed the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on March 16, 2022 authorized the Initial Public Offer.
3. The company has issued 45,00,000 equity shares on February 12, 2022 pursuant to conversion of cash loan into equity.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

1. Covid-19 pandemic.
2. Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
3. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Impact of any reduction in sales of our services/products;
6. Rapid Technological advancement and inability to keep pace with the change;

7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
12. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
13. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled “*Financial Statements as Restated*” beginning from page no. 104 of the prospectus

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from restated profit and loss accounts for the period ended 31st December 2021 and financial year ended on 31st March 2021, 31st March 2020 and 31st March 2019 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. in Lakhs)

Particulars	For the Period / Year ended on							
	31-12-2021	% of Total Revenue	31-03-2021	% of Total Revenue	31-03-2020	% of Total Revenue	31-03-2019	% of Total Revenue
Income								
Revenue from Operations	4195.96	99.61%	6,313.93	98.96%	5,742.15	99.83%	14,689.61	96.37%
Other Income	16.61	0.39%	66.32	1.04%	10.03	0.17%	553.28	3.63%
Total Revenue	4212.57	100.00%	6,380.25	100.00%	5,752.19	100.00%	15,242.89	100.00%
Expenditure								
Cost of Material Consumed	3645.71	86.54%	5,504.68	86.28%	5,210.07	90.58%	13,821.18	90.67%
Change in Inventories	-	-	-	-	-	-	-	-
Employee Benefit Expenses	123.84	2.94%	141.50	2.22%	92.08	1.60%	245.12	1.61%
Other Expenses	315.77	7.50%	465.73	7.30%	305.61	5.31%	944.19	6.19%
Total Expenses	4085.32	96.98%	6,111.91	95.79%	5,607.76	97.49%	15,010.50	98.48%
Profit Before Interest, Depreciation and Tax	127.25	3.02%	268.33	4.21%	144.42	2.51%	232.39	1.52%
Depreciation & Amortisation Expenses	62.57	1.49%	107.33	1.68%	141.84	2.47%	182.34	1.20%
Profit Before Interest and Tax	64.68	1.54%	161.00	2.52%	2.59	0.04%	50.05	0.33%
Financial Charges	60.68	1.44%	183.50	2.88%	122.08	2.12%	223.57	1.47%
Profit before Taxation	4.00	0.09%	(22.51)	-0.35%	(119.49)	-2.08%	(173.52)	-1.14%
Provision for Taxation	3.41	0.08%	2.56	0.04%	-	-	4.34	0.03%
Provision for Deferred Tax	(4.64)	-0.11%	(12.50)	-0.20%	(21.71)	-0.38%	(22.51)	-0.15%
MAT Credit Entitlement	(3.41)	-0.08%	(2.56)	-0.04%	-	-	-	-
Total	(4.64)	-0.11%	(12.50)	-0.20%	(21.71)	-0.38%	(18.17)	-0.12%
Profit After Tax but Before Extra ordinary Items	8.64	0.21%	(10.00)	-0.16%	(97.78)	-1.70%	(155.35)	-1.02%

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED ON DECEMBER 31, 2021

Total Revenue Income: Our Company’s total revenue during the period (Apr 01, 2021 to December 31, 2021) was ₹4212.57 Lakhs. The revenue from operation was ₹4195.96 Lakhs which is almost 99.61% of total revenue which consist of sales of Consumer electronics products.

Total Expenses: Our Company’s total expenses excluding depreciation, Interest and tax amount during the said period (Apr 01, 2021 to December 31, 2021) was ₹4085.32 Lakhs. The total expenditure is almost 96.98% of total revenue. The main constituent of total expenditure is Cost of material consumed which was ₹3645.71 Lakhs, almost 86.54% of total revenue.

Profit Before Interest, Depreciation and Tax: The restated net profit before interest, depreciation and tax as per restated financials for the said period (Apr 01, 2021 to December 31, 2021) was ₹127.25 Lakhs which is 3.02% of total revenue.

Depreciation Expenses: The depreciation expenses as per restated financials for the said period (Apr 01, 2021 to December 31, 2021) was ₹62.57 Lakhs which is 1.49% of total revenue.

Interest Expenses: The interest expenses as per restated financials for the said period (Apr 01, 2021 to December 31, 2021) was ₹60.68 Lakhs which is 1.44% of total revenue.

Profit after Tax: The restated net profit after provision for tax as per restated financials for the said period (Apr 01, 2021 to December 31, 2021) was ₹8.64 Lakhs which is 0.21% of total revenue.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2021 WITH FISCAL 2020

Total Revenue Income: During the FY 2020-21 the revenue from operation and other income of the Company increased to ₹6380.25 Lacs as against ₹5752.19 Lacs in the FY 2019-20 representing an increase of 10.92% from last year.

Total Expenses: The total expenditure excluding depreciation, Interest and tax amount, for the FY 2020-21 has increased to ₹6111.97 Lacs as against ₹5607.76 Lacs in the FY 2019-20 representing an increase of 8.99% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Cost of Material consumed: Cost of Material consumed for the FY 2020-2021 has increased to ₹5504.68 Lacs as against ₹5210.07 Lacs in the FY 2019-20 representing an increase of 5.65% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Employee Benefits Expense: The Employee Benefits Expense for the FY 2020-2021 has increased to ₹141.50 Lacs as against ₹92.08 Lacs in the FY 2019-20. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Other Expense: The other Expense for the FY 2020-2021 has increased to ₹465.73 Lacs as against ₹305.61 Lacs in the FY 2019-20 representing an increase of 52.39% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations and covid-19 pandemic impact.

Finance Expenses: The finance cost of the company for the FY 2020-21 has increased to ₹183.50 Lacs as against ₹122.08 Lacs in the FY 2019-20 representing an increase of 50.31% from last year.

Depreciation and Amortization Expense: The Depreciation and Amortization Expense for FY 2020-21 has decreased to ₹107.33 Lacs as against ₹141.84 Lacs in the FY 2019-20.

Profit/ (Loss) Before Tax: We have incurred loss of ₹22.51 Lacs in FY 2020-21 as against loss of ₹119.49 Lacs in the FY 2019-20.

Profit/ (Loss) After Tax: We have incurred loss of ₹10.00 Lacs in FY 2020-21 as against loss of ₹97.98 Lacs in the FY 2019-20.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2020 WITH FISCAL 2019

Total Revenue Income: During the FY 2019-20 the revenue from operation and other income of the Company has been decreased to ₹5752.19 Lacs as against ₹15242.89 Lacs in the FY 2018-19 representing an decrease of 62.26% from last year. The reduction in turnover mainly due to flood impact in entire Kerala during 2018 - 2019, due to which most of our showroom and our business has impacted.

Total Expenses: The total expenditure excluding depreciation, Interest and tax amount, for the FY 2019-20 has decreased to ₹5607.76 (97.49% of total revenue) Lacs as against ₹15010.50 Lacs (98.48% of total revenue) in the FY 2018-19 due to reason as mentioned above.

Cost of material consumed: The cost of material consumed for the FY 2019-2020 has decreased to ₹5210.07 Lacs (90.58% of total revenue) as against ₹13821.18 Lacs (90.67% of total revenue) in the FY 2018-19 due to reason as mentioned above.

Employee Benefits Expense: The Employee Benefits Expense for the FY 2019-2020 has decreased to ₹92.08 Lacs (1.60% of total revenue) as against ₹245.12 Lacs (1.61% of total revenue) in the FY 2018-19.

Finance Expenses: The finance cost of the company for the FY 2019-20 has decreased to ₹122.18 Lacs as against ₹223.57 in the FY 2018-19.

Other Expense: The other Expense for the FY 2019-2020 has decreased to ₹305.61 Lacs (5.31% of total revenue) as against ₹944.19 Lacs (6.19% of total revenue) in the FY 2018-19.

Profit/ (Loss) After Tax: We have incurred loss of ₹97.78 Lacs in FY 2019-20 as against loss of ₹155.35 Lacs in the FY 2018-19.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations except the Covid-19 pandemic which is still to be controlled. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 17 in the prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Expected Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation, Government Policies and Taxation and Currency fluctuations.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices

Changes in revenue in the last financial years are as explained in the part “Comparison of the financial performance of above.

6. Total turnover of each major industry segment in which our Company operates

The Company is mainly engaged in distribution of Consumer electronics products and all the activities of the business revolve around this main business. Therefore, there are no separate reportable segments.

7. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new product other than disclosed in this prospectus.

8. Seasonality of business

Our company’s business is not seasonal in nature except that in rainy seasons, demand for our products may be affected.

9. Competitive conditions

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page 59 and 67 respectively of the prospectus.

10. Details of material developments after the date of last balance sheet i.e., December 31, 2021.

Except as mentioned in this prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

SECTION X: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non-payment of statutory dues, over dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956 and/or paragraph (i) of Part I of Schedule V of the Companies Act, 2013) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters or fraudulent borrowers by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters, its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.

Unless stated to the contrary, the information provided below is as of the date of this prospectus.

I. CONTINGENT LIABILITIES OF OUR COMPANY:

Contingent Liabilities:

- The Company has been registered under PF Act, however, the provisions of the Act have not been followed up during the period under review. The impact of the same cannot be ascertained.
- The Company has not considered the impact of provisions of AS 15 Provision for Retirement benefits. The impact of the same is not ascertainable. However, it will be recognized as an expense on actual basis

II. LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. **Criminal matters:** Nil
2. **Litigation Involving Actions by Statutory/Regulatory Authorities:** Nil
3. **Litigation involving Tax Liabilities**

(i) Direct Tax Liabilities:

A. Y.	Section Code	Date of Demand	Amount	Particulars
2017-18	143(3)	23/12/2019	1,97,40,919	The Company filed the Income Tax return on 31/10/2017 declaring a total income of Rs.47,39,780/-. Subsequently the AO has while completing the assessment has fixed the Total Income of the Company of Rs.4,52,23,810/- by addition of various other income. Aggrieved by the said addition the Company has preferred an Appeal before the CIT Appeals on 21/01/2020. The matter is pending.
2018-19	143(3)	10/09/2021	1,55,350	No appeal has been preferred and matter is pending
2019-20	143(1)(a)	14/07/2020	270	No appeal has been preferred and matter is pending

(ii) Indirect Taxes Liabilities:	Nil
4. Other Pending Litigations:	Nil
B. CASES FILED BY OUR COMPANY	
1. Litigation Involving Criminal matters:	Nil
2. Litigation Involving Civil matters:	Nil.
3. Litigation Involving Actions by Statutory/Regulatory Authorities:	Nil
4. Litigation involving Tax Liabilities:	
(i) Direct Tax Liabilities:	Nil
(ii) Indirect Taxes Liabilities:	Nil
5. Other Pending Litigations:	Nil

III. LITIGATION INVOLVING OUR DIRECTORS**A. LITIGATION AGAINST OUR DIRECTORS**

1. Criminal matters:	Nil
2. Civil matters:	

V.V PhilipPetitioner
 -:VS:-

1. Springstay Hotels & Apartments [P] Ltd; 2. Sayyed Hameed (Director and Promoter) 3. Askar Gulab Ali.....Respondents.

SI No.	Case No.	Court	Brief Facts and Status
1.	CMA (Arb) 586/2021	Commercial Court, Ernakulam	Petitioner V.V. Philip alleged that he had entered into an agreement with the Springstay Hotels & Apartments [P] Ltd. for construction of the Springstay Hotel building at Edachira, Kakkannad, Ernakulam. Petitioner argued that he has completed the entire work of the Hotel project at Edachira. That, there are pending payments aggregating to Rs.1,55,00,000/- with the respondents and despite repeated requests, respondents have not made the payment. The petitioner issued notice dated 14/09/2021 under Section 11 of the Arbitration and Conciliation Act, 1996. Petitioner also alleged that Sayyed Hamid has admitted the execution of the agreement, execution of the work and non-payment of the amount due to petitioner but he also said that the entire liability has been undertaken by Askar Gulab Ali (the 3 rd Respondent), however, the 3 rd respondent has denied any liability to make any payment to the

			<p>petitioner. The 3rd respondent has filed the reply challenging the validity of the said agreement and the jurisdiction of the Court to admit the matter. He also argued that the alleged property does not vest upon the 2nd & 3rd Respondents. Petitioner is proposing to move the Hon’ble High Court of Kerala for appointing an Arbitrator to adjudicate the disputes between the petitioner and respondents.</p> <p>The respondents on 27/07/2021 has filed an application with the ROC to dissolve the company. The Springstay Hotels & Apartments (P) Ltd was struck off from the register of ROC on 23/11/2021.</p> <p>Status: Matter is pending</p>
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V.V PhilipPetitioner

:-VS:-

1. Springstay Hotels & Apartments [P] Ltd; 2. Sayyed Hameed (Director and Promoter) 3. Askar Gulab Ali.....Respondents.

SI No.	Case No.	Court	Brief Facts & Status
2.	AR 21/2022	High Court at Kerala	<p>Petitioner V.V. Philip alleged that he had entered into an agreement with the Springstay Hotels & Apartments [P] Ltd. for construction of the Springstay Hotel building at Edachira, Kakkanad, Ernakulam. Petitioner argued that he has completed the entire work of the Hotel project at Edachira. That, there are pending payments aggregating to Rs.1,55,00,000/- with the respondents and despite repeated requests, respondents have not made the payment. The petitioner issued notice dated 14/09/2021 under Section 11 of the Arbitration and Conciliation Act, 1996. Petitioner also alleged that Sayyed Hamid has admitted the execution of the agreement, execution of the work and non-payment of the amount due to petitioner but he also said that the entire liability has been undertaken by Askar Gulab Ali (the 3rd Respondent), however, the 3rd respondent has denied any liability to make any payment to the petitioner. The 3rd respondent has filed the reply challenging the validity of the said agreement and the jurisdiction of the Court to admit the matter. He also argued that the alleged property does not vest upon the 2nd & 3rd Respondents.</p> <p>The present application has been filed u/s 11 of the Arbitration And Conciliation Act, 1996 before the Hon’ble High Court of Kerala for appointment of an Arbitrator to adjudicate the disputes between the petitioner and respondents.</p>

			<p>The respondents on 27/07/2021 has filed an application with the ROC to dissolve the company. The Springstay Hotels & Apartments (P) Ltd was struck off from the register of ROC on 23/11/2021.</p> <p>Status: Matter is pending</p>
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3. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil

4. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities:

Sayyed Hamid

A. Y.	Section Code	Date of Demand	Amount	Particulars
2015-2016	143(1)(a)	03-06-2016	53,880	No appeal has been preferred and matter is pending

Roudha Zerlina

A. Y.	Section Code	Date of Demand	Amount	Particulars
2017-2018	143(3)	06-12-2019	15,38,750	<p>The appellant e-file d its return of Income for the on 06/01/2018 declaring total income of Rs.1,79,290 The appellant mistakenly declared agricultural income at Rs.22,05,000.00 instead of Rs.2,00,500.00 in the return of Income.</p> <p>Subsequently the case was selected for scrutiny and issued notice u/s 143(2). Appellant filed reply to all the points and also produced evidence in support her return of Income. However the AO has fixed the a total income of the Appellant of Rs.19,91,464 by addition of various incomes. Aggrieved by the same the appellant has filed an appeal before the CIT Appeals on 16/01/2020. The matter is pending.</p>

(ii) Indirect Taxes Liabilities:

Nil

5. Other Pending Litigations:

Nil

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters:

Sayyed HamidPetitioner

:-VS:-

Shihabudheen N.....Respondent.

SI No.	Case No.	Court	Brief Facts & Status
1.	1602140/2021	Court of Judicial First Class Magistrate	<p>Section 138 of the Negotiable Instrument Act, 1881.</p> <p>The complainant Sayyed Hamid booked a flat by paying the accused Shihabudheen Rs.17,00,000/-.The complainant has paid</p>

			<p>to the accused a total amount of Rs.45,50,000 from November, 2012 to November, 2014. The accused has not taken any steps to register the sale of the flat in favour of the Complainant. Later it was learnt that the accused has already registered an agreement for the sale of above flat in name of some other person. Later the Defendant was ready to register another flat in the same building in the name of the Complainant. Subsequently, the price of the property went up. In response to the complaint filed on 9/11/2020 before City Police Commissioner Kozhikode the accused agreed to settle the dispute for Rs.96,68,000/-. Out of the two cheques of equal amount issued by the accused in favour of the Complainant one cheque was dishonoured due to insufficient fund Hence the complainant sent a notice on 17/06/2021 to the accused demanding him to pay the amount of Rs.48,34,000/- due to him. The accused failed and refused to pay the cheque amount even after 15 days of receipt of Lawyer notice. Hence, the Complainant filed this instant criminal proceedings.</p> <p>Status: Matter is pending</p>
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Sayyed HamidPetitioner

-:VS:-

Shihabudheen N.....Respondent.

SI No.	Case No.	Court	Brief Facts & Status
2.	1601915/2021	Court of Judicial First Class Magistrate	<p>Section 138 of the Negotiable Instrument Act, 1881.</p> <p>The complainant Sayyed Hamid booked a flat by paying the accused Shihabudheen Rs.17,00,000/-. The complainant has paid to the accused a total amount of Rs.45,50,000 from November,2012 to November,2014. The accused has not taken any steps to register the sale of the flat in favour of the Complainant. Later it was learnt that the accused has already registered an agreement for the sale of above flat in name of some other person. Later the Defendant was ready to register another flat in the same building in the name of the Complainant. Subsequently, the price of the property went up. In response to the complaint filed on 9/11/2020 before City Police Commissioner Kozhikode the accused agreed to settle the</p>

			<p>dispute for Rs.96,68,000/-. Out of the two cheques of equal amount issued by the accused in favour of the Complainant one cheque was dishonoured due to insufficient fund Hence the complainant sent a notice on 17/06/2021 to the accused demanding him to pay the amount of Rs.48,34,000/- due to him. The accused failed and refused to pay the cheque amount even after 15 days of receipt of Lawyer notice. Hence, the Complainant filed this instant criminal proceedings.</p> <p>Status: Matter is pending</p>
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2. Litigation Involving Civil matters:

Sayyed HamidPetitioner

:-VS:-

Shihabudheen N.....Respondent.

SI No.	Case No.	Court	Brief Facts & Status
1.	200177/2021	Second Addl. Sub Judge- 2 nd Addl. Asst. Sessions Judge	<p>Sec 26,O,IV,VI,VII of Civil Procedure Code, 1908</p> <p>The complainant Sayyed Hamid booked a flat by paying the accused Shihabudheen Rs.17,00,000/-.The complainant has paid to the accused a total amount of Rs.45,50,000 from November,2012 to November,2014.The accused has not taken any steps to register the sale of the flat in favour of the Complainant. Later it was learnt that the accused has already registered an agreement for the sale of above flat in name of some other person. Later the Defendant was ready to register another flat in the same building in the name of the Complainant. Subsequently, the price of the property went up. In response to the complaint filed on 9/11/2020 before City Police Commissioner Kozhikode the accused agreed to settle the dispute for Rs.96,68,000/-. Out of the two cheques of equal amount issued by the accused in favour of the Complainant one cheque was dishonoured due to insufficient fund Hence the complainant sent a notice on 17/06/2021 to the accused demanding him to pay the amount of Rs.48,34,000/- due to him. The accused failed and refused to pay the cheque amount even</p>

			<p>after 15 days of receipt of Lawyer notice. Hence, the Complainant filed this instant proceedings for recovery of dues of Rs.51,72,380/- (including interest @12% p.a.).</p> <p>Status: Matter is pending</p>
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3. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil

4. Litigation involving Tax Liabilities

(i) **Direct Tax Liabilities:** Nil

(ii) **Indirect Taxes Liabilities:** Nil

5. Other Pending Litigations: Nil

IV. LITIGATION INVOLVING OUR PROMOTERS AND PROMOTER GROUP

A. LITIGATION AGAINST OUR PROMOTERS AND PROMOTER GROUP

1. Litigation Involving Criminal matters: Nil
2. Litigation Involving Civil matters: As Point No. III-A.2
3. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
4. Litigation involving Tax Liabilities
 - (i) Direct Tax Liabilities: As Point No. III-A.4
 - (ii) Indirect Taxes Liabilities: Nil
5. Other Pending Litigations: Nil

B. LITIGATION FILED BY OUR PROMOTERS AND PROMOTER GROUP

1. Litigation Involving Criminal matters: As Point No. III-B.1
2. Litigation Involving Civil matters: As Point No. III-B.2
3. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
4. Litigation involving Tax Liabilities
 - (i) Direct Tax Liabilities: Nil
 - (ii) Indirect Taxes Liabilities: Nil
5. Other Pending Litigations: Nil

- V. Penalties imposed in past cases for the last five years: Nil

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on December 31, 2021:

Name	Balance as on December 30, 2021
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)*	--
Total Outstanding dues to Creditors other than MSME#	2239.06 Lakhs

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with us as we are in the process of Compiling the information from our vendors.

As per restated audited balance sheet.

Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company since incorporation.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "*Financial Statements as Restated*" beginning on pages 104 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 127 of this prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

GOVERNMENT & OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

A. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on 12th March, 2022 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on 16th March, 2022 authorized the Issue.
3. Our company has obtained In-principle approval dated April 01, 2022 from the BSE to use the name of BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The International Securities Identification Number (“ISIN”) of our Company is “INE0L3H01014”.

B. APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Certificate of Incorporation in the name of “Fone4 Communications (India) Private Limited”	Register of Companies Kerala and Lakshadweep	U51506KL2014PTC036625	08-05-2014	Valid until Cancelled
2	Certificate of Incorporation in the name of “Fone4 Communications (India) Limited”	Register of Companies Ernakulam	U51506KL2014PLC036625	09-03-2022	Valid until Cancelled



C. BUSINESS RELATED APPROVALS

Approvals/registration valid

Description	Authority	Registration Number	Date of Certificate	Date of Expiry
Permanent Account Number (PAN)	Income Tax Department	AACCF3954F	20-05-2014	Valid until Cancelled
Tax Deduction Account No. (TAN)	Income Tax Department	CHNF01165D	26-08-2014	Valid until Cancelled
Goods & Services Tax (GST) (Kerala)	Government of India	32AACCF3954F1ZX	01-07-2017	Valid until Cancelled
Trade Licence Number	Kalamassery Municipality	130191012101757	01-04-2021	31-03-2022
Trade Licence Number	Tripunithura Municipality	130194012102095	01-04-2021	31-03-2022
Trade Licence Number	Kollam Corporation	140168032100036	01-04-2021	31-03-2022
Trade Licence Number	Kollam Corporation	140168072100015	01-04-2021	31-03-2022
Trade Licence Number	Palakkad Municipality	130208052100034	30-04-2021	31-03-2022
Trade Licence Number	Thiruvananthapuram	140167042100437	16-12-2021	31-03-2022
Trade License Number	Palakkad Municipality	A3-1439/2019-20	-	-
Trade License Number	Vadakkanchery	A4-1249/2021/2021-22-72	01-04-2021	31-03-2022
Trade License Number	Palakkad Municipality	130208052100035	30-04-2021	31-03-2022

Trade License Number	pattambi	466-2021/22	01-04-2021	31-03-2022
Trade License Number	Palakkad municipality	130208062100114	01-04-2021	31-03-2022
Trade License Number	Kottayam	6043G-576/XVII/2021-22	01-04-2021	31-03-2022
Trade License Number	Kottayam	6036-G-569/IX/2021-22	27/02/2021	31/3/2022
Trade License Number	kondotty	KDY/D2/839/35/22-27	05-02-2022	04-02-2027
Trade License Number	Arayidathupalam	XVII/17/5399/2021/2022	10-04-2021	31-03-2022
Trade License Number	4in Bazar	XVII/17/5390/2021-2022	10-04-2021	31-03-2022
Trade License Number	Cochin Corporation	506/2021-2022	08-03-2021	31-03-2022
Trade License Number	Thrissur Corporation	140170212100169	01-04-2021	31-03-2022
Trade License Number	Cochin Corporation	2021-2022/374	15-02-2021	31-03-2022
Trade License Number	Cochin Corporation	621/c-13/2021-2022	15-03-2021	31-03-2022
Trade License Number	Thrissur Corporation	140170012100548	01-04-2021	31-03-2022
Trade License Number	Kalamassery Municipality	130191012101757	01-04-2021	31-03-2022
Trade License Number	Thiruvananthapuram corporation	140167482000660	01-04-2021	31-03-2022
Trade License Number	Thiruvananthapuram Corporation	140167042100437	16-12-2021	31-03-2022
Trade License Number	Ottapalam	130205012100535	01-04-2021	31-03-2022
Trade License Number	Cochin Corporation	2021-2022/375	15-02-2021	31-03-2022
Udyam MSME Registration Certificate	Ministry of Micro, Small & Medium Enterprises	UDYAM-KL-02-0000206	10-07-2020	Valid until Cancelled
Employee's State Insurance Corporation Code Number	Employee's State Insurance Corporation	47000634680001010	August, 2015	Valid until Cancelled
Registration Certificate for Employees Provident Fund	Employee's Provident Fund Organization	KRKCH1623392000	August, 2015	Valid until Cancelled
Shops & Establishment Licence at Kerala	Kerala Shops and Commercial Establishments Workers Welfare Fund Board	SH070230090211	26-02-2015	Valid Until Cancelled

Some of the licenses has been expired which is under process of renewal.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1.		35	Word Mark	Fone4 Communications (India) Private Limited	2757428	17/06/2014	Refused
2.		35	Word Mark	Sayyed Hamid	4722182	28/10/2020	Accepted & Advertised

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Fresh Issue of Equity Shares in terms of this prospectus has been authorized by a resolution by the Board of Directors passed at their meeting held on 12th March, 2022 under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the members and such other authorities as may be necessary.
2. The Fresh Issue of Equity Shares in terms of this prospectus has been authorized by the shareholders by special resolution at the Extra Ordinary General Meeting held on 16th March, 2022 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.
3. Our Company has received In-principal approval from BSE vide their letter dated April 01, 2022 to use the name of BSE in this prospectus for listing of the Equity Shares on SME Platform of BSE. BSE Limited is the Designated Stock Exchange.
4. Our Board has approved the Prospectus through its resolution dated April 18, 2022.

Confirmation:

- Our Company, our Promoters, Promoter Group, our directors, person(s) in control of the promoter or our Company have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.
- None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.
- There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or government authority.
- Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or fraudulent borrowers by the RBI or other governmental authority 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 except as per details provided under Section titled, **“Outstanding Litigations and Material Developments”** beginning on page no. 131 of this prospectus.
- Our Company is an **“Unlisted Issuer”** in terms of the SEBI (ICDR) Regulations; and this Issue is an **“Initial Public Issue”** in terms of the SEBI (ICDR) Regulations.

Eligibility for the Issue

- Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:
 - Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
 - Neither our promoters, nor any directors of our company are a promoter or director of any other company which is debarred from accessing the capital market by the Board
 - Neither our Promoter nor any of our directors is declared as Fugitive Economic Offender
 - Neither our Company, nor our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoter nor our directors, are Willful Defaulters or fraudulent borrowers.
- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital will be more than ten crores and upto twenty-five crore rupees, and we may hence, issue Equity Shares to the public and propose to list the same on the **SME Platform of BSE Ltd**

We further confirm that:

- i. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- ii. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. 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.
- iii. In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The Board (SEBI) shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the Board, The Lead Manager and the SME Platform of BSE.

Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of this prospectus shall also be furnished to the Board in a soft copy.

- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated March 16, 2022 with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Ltd.

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE Limited, which are as under:**❖ Incorporation: The Company shall be incorporated under the Companies Act, 1956/2013.**

Our Company is incorporated as Limited Company under the Companies Act, 2013.

❖ Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.

The post issue paid up capital (Face Value) of the company will be **₹17.05 crores**. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹ 25 crores.

❖ Net-worth: Positive Net-worth.

As per restated financial statement, the net-worth of the company is **₹406.91 Lakhs** as on December 31, 2021. Our company has positive net-worth. So, the company has fulfilled the criteria of positive net-worth of the company.

❖ Tangible Asset: Net Tangible Assets should be minimum ₹1.50 Crore.

As per restated financial statement, the net tangible assets of the company are **₹4.02 Crores** as on December 31, 2021. So, the company has fulfilled the criteria of minimum net tangible assets shall not be less **₹1.50 crores**.

❖ Track Record: The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years

Our company was incorporated in the year 2014, and having track record of more than 3 years.

❖ **Positive cash accruals (earnings before depreciation and tax) in any of the years out of last three years:**

Our company is having positive cash accruals, details are mentioned as below

(Amt. in Lakhs.)

Particulars	As on 31-12-2021	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2018-19
Total Turnover	4212.57	6380.25	5752.19	15242.89
Cash Accruals (Earnings Before Depreciation and Tax) as per restated financials	66.57	84.83	22.34	8.82

❖ **It is mandatory for a company to have a website.**

Our Company has a live and operational website i.e., www.fone4.in.

❖ **It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.**

Our Company shall mandatorily facilitate trading in demat securities and have entered into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated March 17, 2022 and National Securities Depository Limited dated March 21, 2022 for establishing connectivity.

❖ **There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.**

There is no change in the promoter of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

❖ Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

❖ There is no winding up petition against our Company, which has been admitted by the Court or a liquidator has not been appointed.

❖ No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

❖ The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.

❖ Our Company has entered into an agreement dated March 21, 2022 with NSDL and agreement dated March 17, 2022 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.

❖ The entire pre-Issue share capital of our Company are fully paid-up 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 are dematerialized.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED APRIL 18, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATION 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI ICDR REGULATION, 2018.

THE FILING OF THIS ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

THE DUE DILIGENCE CERTIFICATE TO BE SUBMITTED AS PER FORM A OF SCHEDULE V INCLUDING ADDITIONAL CONFIRMATION AS PROVIDED IN FORM G OF SCHEDULE V IS PRODUCED AS UNDER:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - A. THE PROSPECTUS FILED WITH THE EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE MATERIAL DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD/EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS CONTRIBUTION PRIOR TO OPENING OF THE ISSUE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD/EXCHANGE. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – **NOT APPLICABLE**
8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
10. WE CERTIFY THAT ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996, AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.
14. WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION

ENTERED INTO FOR THE PERIOD DISCLOSED IN THE PROSPECTUS HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

ADDITIONAL CONFIRMATIONS/CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME PLATFORM OF BSE LIMITED.

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 - **NOTED FOR COMPLIANCE**.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF FILING OF THE OFFER DOCUMENT WITH THE REGISTRAR OF COMPANIES. - **NOT APPLICABLE**.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE- **NOTED FOR COMPLIANCE**.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this prospectus or in the advertisements or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAUTION

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on March 16, 2022 and the Underwriting Agreement dated March 16, 2022 entered into between the Underwriters and our Company and the Market Making Agreement dated March 16, 2022 entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the 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 Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the 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 in the Issue.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in **Ernakulum, Kerala, India** only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE).

BSE Limited (“BSE”) has vide its letter dated April 01, 2022 given permission to “Fone4 Communications (India) Limited” to use its name in the offer document as the Stock Exchange on whose Small and Medium Enterprises platform (“SME platform”) the company’s securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. BSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
- ii. warrant that this company’s securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company.
- iv. warrant, certify, or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the company and investors are informed to take the decision to invest in the equity shares of the company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the company is determined by the company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The company has chosen the SME platform on its own initiative and its own risk, and is responsible for complying with local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory

authority. Any use of the SME platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares 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 Issued 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 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 Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applicants 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.

LISTING

The Equity Shares of our Company are proposed to be listed on SME platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated April 01, 2022 for listing of equity shares on SME platform of BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall return through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing or trading without any interest.

If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every Director of the Company who is officer in default shall, on and from expiry of four (4) days, be jointly and severally liable to repay such application money, with interest at the rate of fifteen per cent per annum (15% p.a.).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

FILING

The prospectus is being filed with BSE Limited, 20th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001, Maharashtra.

After getting in-principal approval from BSE, a copy of the prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Chandigarh.

A copy of this prospectus shall be furnished to SEBI in soft copy. A copy of the prospectus shall be filed with SEBI immediately upon filing of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. However, SEBI shall not issue any observation on the prospectus.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under Section 447 of the Companies, Act 2013.

CONSENTS

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the prospectus for filing with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations 2018, M/s **Kapish Jain & Associates**, Chartered Accountant, our Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on “Statement of Tax Benefits” relating to the possible tax benefits and restated financial statements as included in this prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this prospectus for filing with RoC.

EXPERTS OPINION

Except for the reports in the Section, “*Statement of Possible Tax Benefits*” and “*Financial Statement as Restated*” on page no 56 and page no 104 of this prospectus from the Peer Review Auditors and Statutory Auditor respectively; our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Except as stated under Section titled “*Capital Structure*” beginning on page no. 40 of this prospectus our Company has not undertaken any previous public or rights issue. Further, we are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES IN LAST 5 YEARS

Since this is the initial public Issuing of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three year except as mentioned in this prospectus. This is the initial public Issuing of our Company’s Equity Shares

PERFORMANCE VIS-A-VIS OBJECTS–PUBLIC/RIGHT ISSUE OF OUR COMPANY

Except as stated under Section titled “*Capital Structure*” beginning on page 40 of this prospectus our Company has not undertaken any previous public or rights issue.

PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF LISTED SUBSIDIARIES/LISTED PROMOTERS

We don’t have any listed company under the same management or any listed subsidiaries or any listed promoters.

OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES OR ANY OTHER CONVERTIBLE INSTRUMENTS ISSUED BY OUR COMPANY

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this prospectus.

OPTION TO SUBSCRIBE

Equity Shares being issued through the prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA OF THE EQUITY SHARES

This being an initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has appointed “**Cameo Corporate Services Limited**” as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company.

The Agreement dated March 11, 2022 amongst the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection center of the SCSBs where the Application Form was submitted by the ASBA Applicants in ASBA account or UPI ID linked bank account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Applicant should give full details such as name of the sole/first Applicant, Application Form number, Applicant DP ID, Client ID, Bank Account No./UPI ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Ms. Nisha Shaw, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Nisha Shaw

Fone4 Communications (India) Limited
1st Floor, 45/692-B, Ashna Arcade, Vylopilly Road, Thammanam
Ernakulam 682032, Kerala, India

Contact No: +91 98310 20743

Email ID: cs@fone4.in

Website: <https://www.fone4.in>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this prospectus and hence there are no pending investor complaints as on the date of this prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY:

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters.

PRICE INFORMATION OF PAST ISSUED HANDLED BY THE LEAD MANAGER

Statement on Price Information of Last 10 (Ten) Issues handled by Finshore Management Services Limited:

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (In ₹)	Listing Date	Opening price on listing date (In ₹)	+/- % change in closing price, [+/- % change in closing benchmark] 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 th calendar days from listing
1	Tranway Technologies Ltd.	4.24	10/-	05/02/2020	11.10	50.00 [-6.49]	1.00 [-22.91]	-21.90 [-8.59]
2	ICL Organic Dairy Products Ltd.	4.08	20/-	17/02/2020	20.80	-25.00 [-25.52]	-3.25 [-24.25]	9.75 [-7.74]
3	DJ Mediaprint & Logistics Ltd.	2.40	20/-	13/04/2020	20.60	165.00 [2.22]	64.50 [19.24]	105.00 [32.00]
4	Promax Power Ltd.	1.60	10/-	12/10/2021	11.00	54.00 [0.11]	126.00 [-0.85]	120.00 [-2.34]
5	Dynamic Services & Security Ltd.	24.13	51/-	13/10/2021	53.00	-13.73 [-0.80]	-20.00 [-0.87]	-69.61 [-2.08]
6	Destiny Logistics & Infra Limited	5.39	20/-	13/10/2021	20.70	-27.00 [-0.80]	-41.75 [-0.87]	-43.00 [-2.08]
7	Timescan Logistics (India) Limited	4.81	51/-	12/01/2022	82.00	78.43 [-3.33]	79.90 [-2.95]	N. A.
8	Safa Systems & Technologies Ltd.	4.00	10/-	09/02/2022	16.55	7.00 [-5.13]	N. A.	N. A.
9	Shigan Quantum Technologies Limited	22.70	50/-	11/03/2022	61.00	150.50 [6.94]	N. A.	N. A.
10	Swaraj Suiting Limited	10.68	56/-	28/03/2022	56.00	N. A.	N. A.	N. A.

Status as on 17-04-2022

1. in case where the security is not being traded on 30th, 90th and 180th day, the previous working day has been considered.
2. in case where 30th, 90th and 180th day is holiday, the previous working day has been considered for benchmark and security purpose.
3. the benchmark index is SENSEX where the securities have been listed in BSE SME and Nifty where securities have been listed in NSE Emerge.

Summary statement of Disclosure for last 3 Years:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount – 30 th calendar day from listing day			Nos. of IPOs trading at premium – 30 th calendar day from listing day			Nos. of IPOs trading at discount -180 th calendar day from listing day			Nos. of IPOs trading at premium – 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	6	52.42	N. A	1	2	N. A	2	1	N. A	1	2	N. A	N. A	3
2020-21	1	2.40	N. A	N. A	N. A	1	N. A	N. A	N. A	N. A	N. A	1	N. A	N. A
2021-22	7	73.31	N. A	1	1	3	N. A	1	1	1	N. A	1	N. A	N. A

Status as on 17-04-2022

TRACK RECORD OF PAST ISSUES HANDLED BY FINSHORE MANAGEMENT SERVICES LIMITED

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.finshoregroup.com.

SECTION XI: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e., just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue 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.

AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on 12th March, 2022 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of the Company held on 16th March, 2022.

RANKING OF EQUITY SHARES

The Equity Shares being Issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to Section titled, *“Description of Equity Shares and Terms of the Articles of Association”*, beginning on page 179 of this prospectus.

OFFER FOR SALE

In the case of offer for sale, the dividend for the entire year shall be payable to the transferees and the company has to disclose the name of the entity bearing the cost of making offer for sale along with reasons. However, the present issue does not include offer for sale and hence the said disclosure is not applicable to us.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, for further details in relation to dividends, please refer to Sections titled, *“Dividend Policy”* and *“Description of Equity Shares and Terms of the Articles of Association”*, beginning on page 103 and 179 respectively, of this prospectus.

FACE VALUE AND ISSUE PRICE

The face value of the share of our company is ₹10/- per equity share and the issue price is ₹10/- per equity share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Section titled, *“Basis for Issue Price”* beginning on page 54 of this prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, "**Description of Equity Shares and Terms of the Articles of Association**", beginning on page 179 of this prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated March 21, 2022 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated March 17, 2022 between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this prospectus will be done in multiples of 10,000 Equity Shares subject to a minimum allotment of 10,000 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 the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized 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.

PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

ISSUE OPENS ON	April 25, 2022
ISSUE CLOSES ON	April 27, 2022

- *In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the issue shall be open after at least three working days from the date of filing the prospectus with the Registrar of Companies.*
- *In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, Except as otherwise provided in these regulations, the public issue shall be kept open for at least three working days and not more than ten working days.*
- *In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the red herring draft prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our company as this is fixed price issue.*
- *In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our company may, for reasons to be recorded in writing, extend the issue period disclosed in the prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation 266(1).*

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue 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 Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, 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 Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM 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, QIBs and 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. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from BSE SME 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.

MINIMUM SUBSCRIPTION

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten, so this issue is not restricted to any minimum subscription level.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight

(8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

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

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 10,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

APPLICATION BY ELIGIBLE NRI'S, FPI'S/FII'S REGISTERED WITH SEBI, VCF'S REGISTERED WITH SEBI AND QFIs

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share 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 in the Section titled "*Capital Structure*" beginning on page 40 of this prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation/splitting of Equity Shares. For further details, please refer to the Section titled, "*Description of Equity Shares and Terms of the Articles of Association*", beginning on page 179 of this prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME platform of BSE.

MIGRATION TO MAIN BOARD

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, the migration to the Main board of BSE from the SME platform of BSE on a later date shall be subject to the following:

- If the Paid up Capital of our Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our 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

OR

- If the Paid-up Capital of the company is more than ₹ 10 crore but below ₹25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein Nikunj Stock Brokers Limited is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, *“General Information- Details of the Market Making Arrangements for this Issue”* beginning on page 33 of this prospectus.

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.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in *Ernakulum, Kerala, India*.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States 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 U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S 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 Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations 2018, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees, shall issue shares to the public and propose to list the same on the platform of Small and Medium Enterprise (SME platform of BSE). For further details regarding the salient features and terms of such this Issue, please refer to Sections titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 153 and 160, respectively, of this prospectus.

The present Issue of 68,00,000 Equity Shares at an issue price of ₹10/- each aggregating to ₹680.00 Lakhs by our Company. The Issue and the Net Issue will constitute 39.88% and 37.89%, respectively of the post issue paid up equity share capital of the Issuer Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	68,00,000 Equity Shares	3,40,000 Equity Shares
Percentage of Issue Size available for allocation	95.00% of the Issue Size	5.00% of the Issue Size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 10,000 Equity Shares each. For further details please refer to “Basis of Allotment” under Section titled “ <i>Issue Procedure</i> ” beginning on page 160 of this prospectus.	Firm Allotment
Mode of Application	<u>For Other than Retail Individual Investors:</u> All the applicants shall make the application (Online or Physical) through ASBA process <u>For Retail Individuals Investors:</u> Through the ASBA Process or by using UPI ID for payment	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	<u>For Other than Retail Individual Investors:</u> 30,000 Equity Shares at issue price of Rs. 10/- each so that the Application Value exceeds ₹2,00,000 <u>For Retail Individuals:</u> 10,000 Equity Shares at Issue price of ₹10/- each.	3,40,000 Equity Shares @ ₹10/- each
Maximum Application Size	<u>For Other than Retail Individual Investors:</u> 64,60,000 Equity shares (The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.) <u>For Retail Individuals Investors:</u> 20,000 Equity Shares at Issue price of ₹10/- each.	3,40,000 Equity Shares @ ₹10/- each
Trading Lot	10,000 Equity Shares	10,000 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	100% at the time of application	100% at the time of application

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled “*Issue Structure*” beginning on page 158 of this Prospectus.

*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 (2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and
- b) Remaining to: (i) individual applicants other than retail individual investors; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retails individual investors shall be allocated that higher percentage. For further information on the Allocation of Net Offer to Public, please refer to chapter titled “*The Issue*” on page no. 29 of this Prospectus.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (1) in regional newspaper where the registered office of the Company is situated.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this prospectus, which our Company will apply for only after Allotment.

ISSUE PROGRAMME

Issue Opening Date	April 25, 2022
Issue Closing Date	April 27, 2022
Finalisation of Basis of Allotment with BSE SME	May 02, 2022
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	May 04, 2022
Credit of Equity Shares to demat accounts of the Allottees	May 05, 2022
Commencement of trading of the Equity Shares on BSE SME	May 06, 2022

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 6 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) 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 bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide 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, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors 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 Bids by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to **continue with the UPI Phase II till further notice**. The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, which came into effect from May 01, 2021 had put in place measures to have a uniform policy to further streamline the processing of ASBA applications through UPI process among intermediaries/SCSBs and also provided a mechanism of compensation to investors.

However, in view of the representations received from stakeholders, SEBI vide Circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 given some relaxation for the implementation timelines for the provisions of “the circular” which are as under:

- **SMS Alerts:** Para 9 of “the circular” prescribed the details to be sent by SCSB’s in SMS alerts. While SCSB’s shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc shall be included in SMS for Public Issues opening on/after January 01, 2022.
- **Web Portal for CUG:** For ease of doing business, Para 10 of “the circular” prescribed a web portal to be hosted by Sponsor Banks for closed user group (hereinafter referred to as “CUG”) entities. In view of the representations received from the stakeholders, it has been decided that:
 - ❖ The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
 - ❖ In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details prescribed in Para 10 of “the circular” to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB’s etc, the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.

- ❖ The Stock Exchanges and Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- **Completion of Unblocks by T+4:** Para 13 of “the circular” prescribed the process and timeline for ensuring the completion of unblocks pertaining to UPI mandates on T+4 (T: Issue Closing Date). while the process of unblocking shall be completed by T+4, in view of the representations received from stakeholders, the following shall be the revised timelines:
 - ❖ The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
 - ❖ The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
 - ❖ Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1.
 - ❖ To ensure that the unblocking is completed on T+4, the Lead Managers, on a continuous basis and before the opening of the public issue shall take up the matter with the SCSB’s at appropriate level.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 (four) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus. Further, our Company and the LM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface (UPI)

SEBI has issued the various UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by Retail Individual Investors 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 was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Investor had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by Retail Individual Investors through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Managers.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form.

APPLICATION FORM

Copies of Application Forms and Abridged Prospectus will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, an electronic copy of the Application Forms and Abridged Prospectus will also be available for download on the website of the Company, Lead Manager and Stock Exchange, BSE (www.bseindia.com), at least one day prior to the Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. The Retail Individual Investors can additionally Bid through the UPI Mechanism.

All ASBA Bidders must provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of Retail Individual Investors), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the Retail Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection. Retail Individual Investors bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, 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 colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)**	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**	Blue*

* Excluding electronic Application Form.

** Application forms will also be available on the website of the BSE (www.bseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than Retail Individual Investors using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder 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 bids 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 Bid details already uploaded.

For Retail Individual Investors using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate Retail Individual Investors (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) 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 issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the LM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

WHO CAN APPLY?

Each Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Application Form and GID for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- ii. Applications belonging to an account for the benefit of a minor (under guardianship);
- iii. 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". Application by HUFs will be considered at par with Applications from individuals;
- iv. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- v. QIBs;
- vi. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- vii. Qualified Foreign Investors subject to applicable law;
- viii. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- ix. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrelative constitutions to hold and invest in equity shares;
- x. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- xi. Insurance companies registered with IRDAI;
- xii. Mutual Funds registered with SEBI;
- xiii. FPIs other than Category III Foreign Portfolio Investor;
- xiv. Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- xv. Scientific and/ or industrial research organizations authorised in India to invest in the Equity Shares; and
- xvi. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications should not to be made by:

- i. Minors (except through their Guardians)
- ii. Partnership firms or their nominations
- iii. Foreign Nationals (except NRIs)
- iv. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the “U.S. Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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.

The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is 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 make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE:

1. For Retail Individual Applicants:

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs 2,00,000. As the application price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application only for maximum 2 lot i.e., for 20,000 Equity Shares.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs 2,00,000 and in multiples of 10,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

3. Minimum Bid Lot: 10,000 Equity Shares

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Designated Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
- b) 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).
- c) For applications where the proportionate allotment works out to less than 10,000 Equity Shares the allotment will be made as follows:
 - i) Each successful applicant shall be allotted 10,000 Equity Shares;

- 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.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 Equity Shares subject to a minimum allotment of 10,000 Equity Shares.
- e) 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 for 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 of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
- As per Regulation 253(2) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - Remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
 - The unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants in the other category, if so required.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the designated stock exchange.

The Executive Director/Managing Director of the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF LM AND THE SYNDICATE MEMBERS

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged 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 thereof.

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.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of

the concerned schemes for which the Applications are made.

APPLICATIONS BY ELIGIBLE NRIS

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Applicants applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

APPLICATIONS BY HUF

Application by Hindu Undivided Families or HUFs should be 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". Application by HUFs will be considered at par with Applications by individuals.

APPLICATIONS BY FPI'S

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 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 upto 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 the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the 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 reserves the right to reject any Application by a banking company without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a timebound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

APPLICATIONS BY SCSB'S

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making 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 ASBA applications.

APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS, ALTERNATIVE INVESTMENT FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Applicants including Eligible NRIs, 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 / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves 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, 2016 (the “IRDAI Investment Regulations”) are broadly set forth below:

- a) Equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) The industry sector in which the investee company belong to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

APPLICATIONS BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor.

APPLICATIONS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this prospectus.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

METHOD AND PROCESS OF APPLICATIONS

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

TERMS OF PAYMENT

The entire Issue price of ₹10/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

PAYMENT MECHANISM

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. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions 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) with respect to applications by Applicants, 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 our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the 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:

Sl. 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 in the on-line system:
 - ❖ Name of the Applicant;
 - ❖ IPO Name;
 - ❖ Application Form Number;
 - ❖ Investor Category;
 - ❖ PAN (of First Applicant, if more than one Applicant);
 - ❖ DP ID of the demat account of the Applicant;
 - ❖ Client Identification Number of the demat account of the Applicant;
 - ❖ Number of Equity Shares Applied for;
 - ❖ Bank Account details;
 - ❖ Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - ❖ Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate)

to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

ALLOCATION OF EQUITY SHARES

- 1) The Issue is being made through the Fixed Price Process wherein 3,40,000 Equity Shares shall be reserved for Market Maker and 64,60,000 Equity shares (Net Issue) will be allocated on a proportionate basis to Retail Individual Applicants, and Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage and retail individual investors can withdraw or revise their bids till issue closure date.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation where the registered office of the Company is situated.

ISSUANCE OF ALLOTMENT ADVICE (CAN)

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

DESIGNATED DATES

Issue Opening Date	April 25, 2022
Issue Closing Date	April 27, 2022
Finalisation of Basis of Allotment with BSE SME	May 02, 2022
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	May 04, 2022
Credit of Equity Shares to demat accounts of the Allottees	May 05, 2022
Commencement of trading of the Equity Shares on BSE SME	May 06, 2022

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 6 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals. All applicants (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e., bank account or UPI ID, as applicable) in the Application Form if you are not a Retail Individual Investor bidding using the UPI Mechanism in the Application Form and if you are a Retail Individual Investor using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Application Form.
- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. *SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021*;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned here in or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary

- account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than one application from one bank account.
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;

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 Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME platform where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 4 (four) working days of the Issue Closing Date, would be ensured; and
- If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

OTHER INSTRUCTIONS FOR THE APPLICANTS

Joint Applications

In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Applications

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

IMPERSONATION:

Attention of the application is specifically drawn to the provisions of the sub-section (1) of Section 38 of the companies Act, 2013 which is reproduced below:

"Any person who

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.
- d) The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount."

INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

NOMINATION FACILITY TO APPLICANT

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

GROUNDS FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications made using a third-party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 10,000;
- Category not ticked;
- Multiple Applications as defined in this prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and prospectus as per the instructions in this prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals. Application or revision thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Applicants to validate the request of blocking of Application amount sent by the Sponsor Bank;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- Details of ASBA Account not provided in the Application form;
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchange, along with the LM 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.

Completion of Formalities for Listing & Commencement of Trading

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 (six) Working Days of the Issue Closing Date. The Registrar to the Issue

may dispatch the Allotment Advice within 6 (six) Working Days of the Issue Closing Date.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated March 16, 2022 with Lead Manager. For Further information, please refer section “**General Information**” beginning from page no 33 of this prospectus.
- b) A copy of prospectus will be filled with the RoC in terms of Section 26 & 32 of Companies Act, 2013.

UNDERTAKINGS BY OUR COMPANY

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6(six) Working days of Issue Closing Date.
- 3) That the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue by the issuer.
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) That the promoters’ contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations.
- 6) That no further issue of securities shall be made till the securities offered through the prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19.
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- 8) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
- 4) The utilisation of monies received under the Promoters’ contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 5) The details of all unutilised monies out of the funds received under the Promoters’ contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated March 21, 2022 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated March 17, 2022 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. “**INE0L3H01014**”.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

The current consolidated FDI policy circular of 2017, dated August 28, 2017 issued by the DIPP (“FDI Policy”) consolidates the policy framework which was in force as on August 28, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. 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.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale 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.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2013

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

FONE4 COMMUNICATIONS (INDIA) LIMITED*¹

Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company.

Interpretation

I. 1. In these regulations—

- (a) “The Act” means the Companies Act, 2013,
- (b) “The Seal” means the common seal of the company.
- (c) “The Year” means 1st April to 31st March respectively.

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.

Public Company

3. As per Section 2(71) of the Companies Act,2013 “Public company” means a company which—

- a) Is not a Private Company
Provided that a Company which is a subsidiary of a Company, not being a Private Company, shall be deemed to be a Public Company for the purpose of this Act even where such Subsidiary Company continues to be a Private Company in its articles;

Share capital and in variation of rights

II. 1. Subject to the provisions of the Act and these Articles, the shares 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

- 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,—

***1 Altered vide resolution passed at the Extra Ordinary General Meeting dated 23rd February, 2022**

- (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) The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
 - (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iv) 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 ad equate, 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) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one- third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue

of the shares may, by special resolution, determine.

9. Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered in compliance with the relevant provisions of Companies Act, 2013 and any other applicable law.

10. DEMATERIALISATION OF SHARES

- I. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other security holders with the details of members/debenture holders/ other securities both in materialized and dematerialized form in any medium as permitted by the Act.
- II. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
- III. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
- IV. In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.
Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 and any other applicable section as amended of the Depositories Act shall apply so far as applicable.
- V. Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
- VI. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

Lien

11. (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.

Every fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted

to moneys called or payable at fixed time in respect of such shares.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

12. 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.

13. (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.

14. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

15. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

16. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (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.

19. (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.

20. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently

payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

21. (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.
22. 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.
 - (c) Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
 - (d) The common form of transfer shall be used by the Company.
23. The Board may decline to recognise any instrument of transfer unless—
 - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
24. On giving not less than seven days' previous notice in accordance with section 91 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

25. (i). On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii). Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
26. (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.
27. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as afore said as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right

conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

- 29.** If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time there after during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
- 30.** The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 31.** 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.
- 32.** (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 33.** (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.
- 34.** (i) A duly verified declaration in writing that the Declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 35.** 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

- 36.** 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.
- 37.** Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

38. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

39. 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 Profit

40. (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;

- (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

41. (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.

(iv) Capital paid-up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

Buy-back of shares

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

43. All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

44. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

45. (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.

46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. 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.

48. 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

49. (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

50. 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.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. (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.
53. 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.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. 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.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. 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

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
- The following shall be the First Director of the Company:
1. **Sayyed Hamid**
 2. **Roudha Zerlina**
61. (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.

62. The Board may pay all expenses incurred in getting up and registering the company.

63. 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.

64. 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.

65. 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.

66. (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.

67. MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/KEY MANAGERIAL PERSONNEL

The Managing Director or Whole Time Director shall be appointed in compliance with the Provisions of Companies Act, 2013 and any other applicable law in force.

68. Powers and duties of Managing Director or whole-time Director

The Managing Director/Whole-time Director shall be subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

Proceedings of the 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 for 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 casting 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.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

78. Subject to the provisions of the Act,—

a. 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;

b. 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 authorising 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 two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

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 equalising 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 bear interest against the company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law.

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.

(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

91. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

92. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The 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 the 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 have been attached to the copy of the prospectus delivered to the RoC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 1st Floor, 45/692-B, Ashna Arcade, Vypolly Road, Thammanam Ernakulam 682032, Kerala, India, from 10.00 am to 5.00 pm on all Working Days from the date of prospectus until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated March 16, 2022 entered into among our Company and the Lead Manager.
2. Agreement dated March 11, 2022 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated March 21, 2022 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated March 17, 2022 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement March 25, 2022 among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated March 16, 2022 between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated March 16, 2022 between our Company and the Lead Manager.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporations of our Company dated 8th May, 2014 issued by Registrar of Companies.
3. Certificate of Incorporations of our Company dated 9th March, 2022 issued by Registrar of Companies.
4. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated 12th March, 2022 and 16th March, 2022 respectively, authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the period ended December 31, 2021 and financial year ended March 31, 2021, March 31, 2020 and March 31, 2019.
6. Peer Review Auditors Report dated April 7, 2022 on Restated Financial Statements of our Company for the period ended December 31, 2021 and financial year ended 31, 2021, March 31, 2020 and March 31, 2019.
7. Copy of Statement of tax possible benefits dated April 7, 2022 from the Peer Review Auditor included in this prospectus.
8. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Legal Advisor to the Issue, Banker to the Issue, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the prospectus to act in their respective capacities.
9. In-principle listing approval dated April 01, 2022 from the BSE Limited for listing the Equity Shares on the SME Platform of BSE.
10. Due Diligence certificate dated April 18, 2022 submitted to SEBI after filing the prospectus with RoC.

Any of the contracts or documents mentioned in this prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act, SEBI ICDR Regulations and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mr. Sayyed Hamid DIN: 05167876 Designation: Managing Director	Sd/-
Mrs. Roudha Zerlina DIN: 05168024 Designation: Non-Executive Director	Sd/-
Mr. Sayyed Haris Sayyed Imbichi DIN: 08395581 Designation: Executive Director & CFO	Sd/-
Mr. Mohammed Arzoo Abdul Latheef DIN: 09525381 Designation: Independent Director	Sd/-
Mr. Mohammed Asharaf DIN: 09526578 Designation: Independent Director	Sd/-

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

S/d-

 Ms. Nisha Shaw

Date: 18th Day of April, 2022

Place: Ernakulam, Kerala