

DATED 11th NOVEMBER,2024

LEGAL DUE DILIGENCE REPORT

FOR

RAJESH POWER SERVICES LIMITED

Vivan Patel

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INTRODUCTION

1. I have been appointed by – ISK Advisors Private Limited, the Lead Manager to the Issue as the Legal Advisor to the Initial Public Offering (“**the Issue**”) of RAJESH POWER SERVICES LIMITED (“**the Company**”) for carrying out legal due diligence in respect of the outstanding litigations pertaining to the Company and the Promoters, government and regulatory approvals, regulations and policies, etc.
2. This report is based on the documents and statements submitted, furnished and produced to me by the Company and other information provided to me by the Company’s representatives during personal or telephonic discussions and/or by emails/ letters from time to time during the course of my due diligence. In giving effect to those instructions, I have devoted resources to areas that may be of particular concern to the Company and the proposed Issue and the level of materiality to which I have prepared the Report has been dictated by our understanding of what the Company would normally require having regard to its purpose. Consequently, the issues covered in the Report, and the emphasis placed on them, may not address or reflect all the issues related to the Company, although I have dealt (to the best of my abilities) with those issues which, based on my experience, is expected to be of concern.
3. I am not addressing this Report to any other person except the Company and the Lead Manager to the Issue.
4. While conducting my due diligence exercise, I have assumed the genuineness of all signatures, authenticity of all the documents and statements submitted to me as the original and conformity of copies or extracts submitted to me with that of original documents.
5. Unless otherwise indicated, this Report is based solely on information reviewed and obtained from the Company as well as the documents provided to me. However, I have carried out detailed independent verification through various resources including but not limited to internet searches on the website of various courts and other public domain sources for the genuineness and correctness of matters disclosed herein.
6. The information and disclosures in this report have been made considering the disclosure requirements of SEBI (ICDR) Regulations, 2018, as amended pertaining to, but not limited to Schedule VIII thereto.
7. The information includes materials, which are governed by Indian laws, unless otherwise indicated and only to the extent described in this Report. I express no opinion as to and accept no liability in respect of the laws of any jurisdiction other than those of India, which are in force at the date of this Report.

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Advocate and Trade Mark Attorney

8. In compiling this Report, I have acted as an Indian Lawyer and am not advising on any other system of law. Any obligation, which I incur in the performance of my duty, is governed by the laws of India.
9. This Report does not express any opinion on the financial soundness of the Company and is concerned solely with legal issues arising from the information reviewed in the context of, and for the proposed Issue.
10. I expressly disclaim any liability which may arise due to any decision taken by any person(s) on the basis of this Report.

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PART 'A'

BASIC CORPORATE INFORMATION

Name of the Company	RAJESH POWER SERVICES LIMITED The Company was originally formed as a partnership firm in the name and style of "RAJESH TRADERS" pursuant to a deed of partnership dated May 5,1971 Registration certificate issued by Registrar of Firms, Ahmedabad City, Ahmedabad having Registered No. GUJ/AHD/32515 under the provisions of the Indian Partnership Act, 1932. Subsequently, the partnership firm was converted to Private limited Company "RAJESH POWER SERVICES PRIVATE LIMITED" on 10th February, 2010 under the provisions of companies act, 1956 with the registrar of companies, Ahmedabad bearing registration no. 059536, then the company was converted from RAJESH POWER SERVICES PRIVATE LIMITED to RAJESH POWER SERVICES LIMITED and fresh certificate of incorporation was issued on June 26, 2024 by the registrar of companies, Ahmedabad. The Corporate Identification Number of the Company is U31300GJ2010PLC059536.
Corporate Identity Number	U31300GJ2010PLC059536
Registered Office	Address: 380/3, Siddhi House, Opp. Lal Bungalows, B/H Sasuji Dinning Hall, Off C.G.Road, Nav, Rangpura, Ahmedabad, Gujarat, India, 380006 Tel No: +91 6358736465 Website: https://rajeshpower.com/ Email: cs@rajeshpower.com
Date of Incorporation	10/02/2010
Corporate Status	Public Company
Authorised Share Capital	Rs. 25,00,00,000/- (Rupees Twenty-five Crores only)
Paid-Up Capital	Rs. 15,21,73,920 /- (Rupees Fifteen crores twenty-one lakhs seventy-three thousand nine hundred and twenty rupees only)

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THE MAIN OBJECTS OF THE COMPANY AS MENTIONED IN THE MOA:

To engage in the business of generation of electricity and generate, transmit, distribute, purchase, procure, sell, trade, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects including Thermal Power, Solar Energy, Gas based power, wind power town, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and manage transmission and distribution networks or systems, take on hire/lease power plants, co-generation, power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function as a licensee and deal in electrical power, energy with State Electricity Boards, State Government, Appropriate Authorities, licensee, specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other component authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any statutory modifications or reenactment thereof and rules made there under and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply, trading or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, trading, import, export, storage and accumulation of all forms of electrical power.

PROMOTERS OF THE COMPANY:

1. Mr. Rajendra Baldevbhai Patel
2. Mr. Kurang Ramchandra Panchal
3. Mr. Kaxil Prafulbhai Patel
4. Mr. Utsav Nehal Panchal

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BOARD OF DIRECTORS OF THE COMPANY:

Name	Designation	Director's Identification No.
Mr. Kurang Ramchandra Panchal	Managing Director	00773528
Mr. Rajendra Baldevbhai Patel	Whole time director	00137280
Mr. Kaxil Prafulbhai Patel	Chief financial officer	07634816
Mr. Utsav Nehal Panchal	Chief Executive officer	08486317
Mr. Viral Deepakbhai Ranpura	Non-executive Independent Director	07177208
Mr. Sujit Gulati	Non-executive Independent Director	00177274
Ms. Pankti Parth Shah	Non-executive Independent Director	10089087

KEY MANAGERIAL PERSONNEL

The details of our key managerial personnel are as below:

Name	Designation	Director's Identification No.
Mr. Kurang Ramchandra Panchal	Managing Director	00773528
Mr. Rajendra Baldevbhai Patel	Whole time director	00137280
Ms. Jyoti Daksheshkumar Mochi	Company secretary and compliance officer	-
Mr. Kaxil Prafulbhai Patel	Chief financial officer	07634816
Mr. Utsav Nehal Panchal	Chief Executive officer	08486317

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PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and entities form part of the Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulation, 2018.

A. Natural Persons who are Part of the Promoter Group

B.

Name of the Promoter	Name Of the Relative	Relationship With the Promoter
Mr. Rajendra Baldevbhai Patel	Late Baldevbhai Somabhai Patel	Father
	Kokilaben B Patel	Mother
	Bhavnaben Rajendrabhai Patel	Spouse
	Late Hemantbhai Baldevbhai Patel	Brother
	Patel Praful Baldevbhai	
	Harsha NileshKumar Patel	Sister
	Patel Basavi Harsh	Daughter
	Late Baldevbhai I. Patel	Spouse's Father
	Late Hiraben B. Patel	Spouse's Mother
	Patel Bhanuben Dineshbhai	Spouse's Sister
	Mita Vinaykumar Patel	
	Nimesh Baldevbhai Patel	Spouse's Brother

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Kurang Ramchandra Panchal	Late Ramchandra Dharamshi Panchal	Father
	Late Savitaben R. Panchal	Mother
	Beena Kurang Panchal	Spouse
	Nehal Ramchandra Panchal	Brother
	Daxesh Ramchandra Panchal	
	Daxaben Pravinbhai Mistry	Sister
	Panchal Shree Kurang	Daughter
	Bansilal Dharmashi Mistri	Spouse's Father
	Taraben Bansilal Mistri	Spouse's Mother
	Mistri Utpalbhai Bansilal	Spouse's Brother
	Degant Basnilal Mistri	

Name of the Promoter	Name Of the Relative	Relationship With the Promoter
	Patel Praful Baldevbhai	Father
	Anjanaben Praful.Bhai Patel	Mother

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Name of the Promoter	Name Of the Relative	Relationship With the Promoter
Mr. Kaxil Prafulbhai Patel	Vishwaben Rakeshkumar Patel	Spouse
	Patel Minoli Prashantkumar	Sister
	Sharvil Kaxil Patel	Son (Minor)
	Rakeshbhai Nandulal Patel	Spouse's Father
	Patel Vaishali Rakesh Bhai	Spouse's Mother
	Patel Krushna Rakeshkumar	Spouse's Brother

Name of the Promoter	Name Of the Relative	Relationship With the Promoter
Mr. Utsav Nehal Panchal	Nehal Ramchandra Panchal	Father
	Sangita Nehalbhai Panchal	Mother
	Shah Riya Kamlesh	Spouse
	Makwana Ketali Rajiv	Sister
	Shah Kamlesh Balchand	Spouse's Father
	Shah Hemangini Kamlesh	Spouse's Mother
	Shah Raj Kamlesh	Spouse's Brother
	Shah Smit Kamleshbhai	

C. Entities forming part of the Promoter Group

The following are the group companies / entities of our company:

1. HKRP Innovations Limited

Name of the company	HKRP Innovations Limited
Category	Limited Company*
Name of the Directors	<ol style="list-style-type: none"> 1. Mr. Utsav Nehal Panchal 2. Mr. Jayesh Amratlal Gandhi 3. Mr. Kaxil Prafulbhai Patel 4. Mr. Vinesh Bhogilal Soni 5. Mr. Pallav Jayeshkumar Gandhi 6. Mr. Kurang Ramchandra Panchal
Brief Description and nature of activity or Business	Providing energy solutions, Plant Wide Energy Monitoring, Township/ Industrial Distribution and any other incidental activities.
Year of Establishment	2024
PAN	AAHCH4590E
TAN	AHMH11158A

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GST	24AALFH2077D1ZL		
CIN	U35100GJ2024PLC153604		
Registered Office Address	380/3, SIDDHI HOUSE, B/H KAMALDEEP APPTS, LAL BUNGLOW, ELLISBRIDGE, AHMEDABAD, AHMEDABAD, GUJARAT, INDIA, 380006		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	13123.94	3174.20	513.89
Profit/(Loss) after tax	2571.22	319.39	10.93

* M/s. HKRP Innovations LLP has been converted into HKRP Innovations Limited as on 20th July 2024.

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Shashwat Composite LLP

Name of the Firm	Shashwat Composite LLP		
Category	Limited Liability Partnership		
Name of the Designated Partners	1. Mr. Praful Baldevbhai Patel 2. Mr. Rajendra Baldevbhai Patel 3. Mr. Vishal Hemantkumar Patel 4. Mr. Kaxil Prafulbhai Patel 5. Mrs. Beena Kurang Panchal 6. Mr. Utsav Nehal Panchal 7. Mr. Krunal Daxesh Panchal 8. Mr. Daxesh Ramchandra Panchal		
Brief Description and nature of activity or Business	To manufacture, assemble, fabricate housing boxes for use in various industries including electricity companies, construction and auto mobile Industries.		
Year of Establishment	2019		
PAN	ADYFS9288B		
GST	24 ADYFS9288B1ZC		
Limited Liability Partnership Identification Number	AAP-8504		
Registered Office Address	380/3, G.F., SIDDHI HOUSE, B/H. KAMALDEEP APARTMENT OPP. LAL BUNGLOW, ELLISBRIDGE, NAVRANGPURA, AHMEDABAD, GUJARAT, INDIA, 380006		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	2407.37	1509.67	1339.85
Profit/(Loss) after tax	64.08	67.58	59.72

2. Shashwat Bio-Polyplast LLP

Name of the LLP	Shashwat Bio-Polyplast LLP		
Category	Limited Liability Partnership		
Name of the Designated Partners	1. Mr. Vishal Hemantkumar Patel 2. Mr. Pavan Mandaviya 3. Mr. Nehal Ramchandra Panchal 4. Mr. Praful Baldevbhai Patel 5. Mrs. Beena Kurang Panchal 6. Mr. Rajendra Baldevbhai Patel 7. Mr. Kurang Ramchandra Panchal 8. Mr. Daxesh Ramchandra Panchal		
Brief Description and nature of activity or Business	Manufacturing, trading and Agency of all types of goods and products including Bio-Degradable Plastic Products.		
Year of Establishment	2018		

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PAN	ADTFS5340P		
GST	24 ADTFS5340P1ZB		
Limited Liability Partnership Identification Number	AAN-3388		
Registered Office Address	380/3, G.F., SIDDHI HOUSE, B/H. KAMALDEEP APARTMENT OPP. LAL BUNGLOW, ELLISBRIDGE, NAVRANGPURA, AHMEDABAD, GUJARAT, INDIA, 380006		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	945.94	648.28	315.89
Profit/(Loss) after tax	(89.59)	(26.91)	(94.62)

4. SHASHWAT ENVIRO TECH LLP

Name of the Firm	SHASHWAT ENVIRO TECH LLP		
Category	Limited Liability Partnership		
Name of the Partners	1. Mr. Kurang Ramchandra Panchal 2. Mr. Daxeshbhai Ramchandra Panchal 3. Mr. Kaxil Prafulbhai Patel 4. Mr. Pavan Mandaviya 5. Mr. Rajendra Baldevbhai Patel 6. Mr. Vishal Hemantkumar Patel		
Brief Description and nature of activity or Business	To manufacture, assemble, fabricate housing boxes for use in various industries including electricity companies, construction and auto mobile Industries.		
Year of Establishment	2018		
PAN	ADSFS4749K		
GST	24ADSFS4749K1ZB		
Limited Liability Partnership Identification Number	AAM-9460		
Registered Office Address	COMMON SIDDHI HOUSE, OPP KAMALDEEP APPARTMENT, NAVRANGPURA, AHMEDABAD, Gujarat, India, 380006		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	1.03	2.13	126.51
Profit/(Loss) after tax	(7.80)	0.26	(0.048)

5. Sarthak Enterprises

Name of the Firm	Sarthak Enterprises
Category	Partnership Firm
Name of the Partners	1. Mr. Praful Baldevbhai Patel

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	2. Mr. Rajendra Baldevbhai Patel 3. Mr. Vishal Hemantkumar Patel 4. Mrs. Beena Kurang Panchal 5. Mr. Krunal Daxesh Panchal 6. Mrs. Anjanaben Prafulbhai Patel 7. Mr. Nehal Ramchandra Panchal 8. Mr. Vedang Yatish Bakshi		
Brief Description and nature of activity or Business	Trading of Electrical Transformers, Static Converters (For Example, Rectifiers) And Inductors - Other Transformers: Having A Power Handling Capacity Not Exceeding 1 Kva		
Year of Establishment	2002		
PAN	AASFS6391J		
GST	24AASFS6391J1ZH		
Registered Office Address	380/3, G.F., SIDDHI HOUSE, B/H. KAMALDEEP APARTMENT OPP. LAL BUNGLOW, ELLISBRIDGE, NAVRANGPURA, AHMEDABAD, GUJARAT, INDIA, 380006		
Audited Financial Information (₹ in Lakhs)			
	Provisional	Audited	
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	166.50	140.35	84.52
Profit/(Loss) after tax	9.99	2.31	(0.15)

6. Marc Electro Infra Private Limited

Name of the Firm	Marc Electro Infra Private Limited		
Category	Private Limited Company		
Name of the Directors	1. Mr. Praful Baldevbhai Patel 2. Mr. Rajendra Baldevbhai Patel 3. Mr. Anandkumar Jyotindrabhai Shah 4. Mr. Vishal Hemantkumar Patel 5. Mrs. Jinal Anandkumar Shah 6. Mrs. Mrudula Jyotindra Shah 7. Mrs. Beena Kurang Panchal 8. Mr. Krunal Daxesh Panchal 9. Mr. Daxesh Ramchandra Panchal		
Brief Description and nature of activity or Business	Trading in 'Electrical Goods' providing Errection and Installation services to Power Utility Companies		
Year of Establishment	2013		
PAN	AAICM8098H		
GST	24AAICM8098H1Z0		
CIN	U31900GJ2013PTC076484		

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Registered Office Address	205 VICE REGAL, 15 PUNIT NAGAR AKOTA, OLD PADRA ROAD, Vadodara, Gujarat, India, 390015		
Audited Financial Information (₹ in Lakhs)			
	Provisional	Audited	
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	4379.95	1520.22	1577.94
Profit/(Loss) after tax	112.21	0.36	1.68

7. Shashwat Cleantech Private Limited

Name of the Firm	Shashwat Cleantech Private Limited		
Category	Private Limited Company		
Name of the Directors	1. Mr. Praful Baldevbhai Patel 2. Mr. Rajendra Baldevbhai Patel 3. Mr. Kurang Ramchandra Panchal 4. Mr. Karan Satyanarayan Dangayach		
Brief Description and nature of activity or Business	Trading of Solar Power Equipments, Solar Pumps, LED lights, etc providing installations and maintenance services in this respect and turnkey projects in solar energy.		
Year of Establishment	2008		
PAN	AALCS6081K		
GST	24AALCS6081K1ZX		
CIN	U31101GJ2008PTC052719		
Registered Office Address	Block-A, F/F-07, Safal Profitair, Sur No.-906, Near Krishna Bungalows, 100Ft. Road, Pra, haldnagar, Ahmedabad, Gujarat, India, 380051		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	28.76	90.07	1378.87
Profit/(Loss) after tax	(1.04)	(130.16)	2.91

8. Polycoat Electra Services (India) Private Limited

Name of the Firm	Polycoat Electra Services (India) Private Limited
Category	Private Limited Company
Name of the Directors	1. Mrs. Diptiben Hemantkumar Patel 2. Mr.Daxesh Ramchandra Panchal 3. Mr.Nehal Ramchandra Panchal 4. Mr.Rajendra Baldevbhai Patel 5. Mr. Praful Baldevbhai Patel 6. Mr. Kurang Ramchandrapanchal 7. Mr. Vishal Hemantkumar Patel
Brief Description of Business	Wholesale of machinery, equipment and supplies
Year of Establishment	2004

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PAN	AADCP2721M		
GST	24AADCP2721M1ZH		
CIN	U51505GJ2004PTC044156		
Registered Office Address	Siddhi House B/H Kamal Deep Apartment Opp Lal Bungalow Off C.G. Road, Navrangpura, Ahmedabad, Gujarat, India, 380006		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	2744.85	2543.94	1590.96
Profit/(Loss) after tax	119.15	75.31	76.80

9. Shashwat Electricals Private Limited

Name of the Firm	Shashwat Electricals Private Limited		
Category	Private Limited Company		
Name of the Directors	1. Diptiben Hemantkumar Patel 2. Daxesh Ramchandra Panchal 3. Nehal Ramchandra Panchal 4. Rajendra Baldevbhai Patel 5. Praful Baldevbhai Patel 6. Anandkumar Jyotindrabhai Shah 7. Vishal Hemantkumar Patel 8. Kurang Ramchandra Panchal 9. Utsav Nehal Panchal		
Brief Description of Business	In Business of trading of Electrical Goods such as Solar Power Equipment's, Solar Pumps, LED Lights, etc, Power utility Company		
Year of Establishment	2006		
PAN	AAKCS1046H		
GST	24AAKCS1046H1ZI		
CIN	U31403GJ2006PTC048859		
Registered Office Address	SIDDHI HOUSE, OPP. LAL BANGLOW, B/H. KAMALDEEP FLATS, OFF. C. G. ROAD, N, AVRANGPURA, AHMEDABAD, GUJARAT, INDIA, 380009		
Audited Financial Information (₹ in Lakhs)			
	Audited		
Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total Revenue	140.44	256.48	307.61
Profit/(Loss) after tax	6.18	3.82	18.44

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PART 'B'

Note: This chapter is drafted based on first person narrative by the IPO Going Company. Any reference to "we", "us" "the company", "ours" etc. shall be deemed to mean Sadhav Shipping Limited and / or its promoters, directors, group companies as the case may be.

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors and Promoters. Our Board, in its meeting held on July 10, 2024 has inter-alia adopted the materiality policy for purposes of disclosure of litigations in the Red Herring Prospectus and has determined that outstanding legal proceedings involving the Company, Directors and Promoters where the aggregate amount involved, in such individual litigation exceeds Rs. 1,00,000/- will be considered as material litigation ("Material Litigation").

As per the materiality policy adopted by the Board of our Company in its meeting held on July 10, 2024 creditors of our Company to whom an amount in excess of Rs. 1,00,000/- as per the last audited financial statements was outstanding, were considered 'material' creditors. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at <https://www.rajeshpower.com/>

Our Company, Directors and Promoters have not been declared as willful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

Summary of the board resolution determining materiality disclosure of litigations

Summary of the board resolution determining materiality disclosure of litigations with regard to our company, its promoters, its directors, subsidiaries, promoter group:

- A. All litigations pertaining to the company, its directors/ promoters/subsidiaries which are in the nature of criminal, statutory/ regulatory and taxation related are deemed material by the board. further the board considers all other litigation pertaining to the company, its directors/ promoters/subsidiaries which are above a claim amount equal to or exceeding rs. one lakh as material.
- B. The litigations of our group companies are not accorded in the materiality clause and litigations in relation to the company. however, if any material litigation arises in the group company, which may directly or indirectly affect the company, the same shall be considered by the company.

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Outstanding Dues to 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:

(₹ in Lakhs)

Particulars	Balance as on 30th September, 2024
Total Outstanding dues to Micro, Small and Medium Enterprises	122.25
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	8727.83

Following are the details of litigations involving our company, our Directors, our Promoters.

LITIGATION INVOLVING OUR COMPANY

A. AGAINST OUR COMPANY

1. **Litigation involving Criminal Matters:** NIL
2. **Litigation involving Civil Matters :** NIL
3. **Litigation / Proceedings Involving Actions by Statutory / Regulatory Authorities:**

Forum and Matter	Parties	Amount Concerned	Particulars of Proceedings
Appellate Tribunal for Electricity Appeal No. 279 of 2013	Gujarat Urja Vikas Nigam Limited V/s Gujarat Electricity Regulation Commission and others	Amount concerned cannot be ascertained as RPSL is formal party to the proceedings.	<p>Gujarat Urja Vikas Nigam Limited ("GUVNL") had filed a petition before the Gujarat Electricity Commission praying for a revision of tariff for solar energy project as determined by way of a tariff order dated 29/01/2010.</p> <p>The said tariff order determined the tariff/price at which power generated from solar power projects could be procured by the GUVNL.</p> <p>The petition of GUVNL came to be dismissed by way order dated 08/08/2013. Being aggrieved by the same, GUVNL preferred the present appeal.</p>

Vivan Patel

Vivan Patel
Advocate and Trade Mark Attorney

			Rajesh Power Services Limited (“Company”) had been joined as the respondent No. 63 in the said proceedings. By way of order dated 22/08/2014 the appeal filed by GUVNL came to be dismissed. It appears that the Company was a formal party to the said proceedings.
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4. Litigation involving Tax Liabilities

a) **Direct Tax Liabilities :**

PAN	Date Of Notice	Din And Notice Number	Amount Of Dispute	AY
AAECR6294G	30/08/2023	ITBA/RE/S/156_1/2023-24/1055581079(1)	₹52,320	2017-18

b) **Indirect Taxes Liabilities**

5. Other Pending Litigations :NIL

6. Disciplinary action against our company by SEBI or any stock exchange in last five fiscals: NIL

B. BY OUR COMPANY

1. **Litigation involving Criminal Matters: NIL**

2. **Litigation involving Civil Matters: NIL**

3. **Litigation / Proceedings Involving Actions by Statutory / Regulatory Authorities: NIL**

4. **Litigation involving Tax Liabilities**

a) **Direct Tax Liabilities: NIL**

b) **Indirect Taxes Liabilities**

5. **Other Pending Litigations: NIL**

6. **Disciplinary action against our company by SEBI or any stock exchange in last five fiscals: NIL**

LITIGATION INVOLVING OUR DIRECTORS

A. AGAINST OUR DIRECTORS

1. **Litigation involving Criminal Matters: NIL**

2. **Litigation involving Civil Matters :NIL**

3. **Litigation / Proceedings Involving Actions by Statutory / Regulatory Authorities : NIL**

4. **Litigation involving Tax Liabilities**

1) **Direct Tax Liabilities :NIL**

2) **Indirect Taxes Liabilities**

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5. Other Pending Litigations :NIL
 6. Disciplinary action against our company by SEBI or any stock exchange in last five fiscals: NIL
- B. BY OUR DIRECTORS**
1. Litigation involving Criminal Matters: NIL
 2. Litigation involving Civil Matters :NIL
 3. Litigation / Proceedings Involving Actions by Statutory / Regulatory Authorities : NIL
 4. Litigation involving Tax Liabilities
 - a) Direct Tax Liabilities :NIL
 - b) Indirect Taxes Liabilities
 5. Other Pending Litigations :NIL
 6. Disciplinary action against our company by SEBI or any stock exchange in last five fiscals: NIL

LITIGATION INVOLVING OUR PROMOTES

- A. AGAINST OUR PROMOTERS**
1. Litigation involving Criminal Matters: NIL
 2. Litigation involving Civil Matters :NIL
 3. Litigation / Proceedings Involving Actions by Statutory / Regulatory Authorities : NIL
 4. Litigation involving Tax Liabilities
 - a) Direct Tax Liabilities: NIL
 - b) Indirect Taxes Liabilities: NIL
 5. Other Pending Litigations :NIL
 6. Disciplinary action against our company by SEBI or any stock exchange in last five fiscals: NIL
- B. BY OUR PROMOTERS**
1. Litigation involving Criminal Matters: NIL
 2. Litigation involving Civil Matters :NIL
 3. Litigation / Proceedings Involving Actions by Statutory / Regulatory Authorities : NIL
 4. Litigation involving Tax Liabilities
 - a) Direct Tax Liabilities :NIL
 - b) Indirect Taxes Liabilities
 5. Other Pending Litigations :NIL
 6. Disciplinary action against our company by SEBI or any stock exchange in last five fiscals: NIL

Litigations involving our Group Entities

- A. Against our Group Entities: NIL
- B. By our Group Entities: NIL

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Litigations relating to the Subsidiary Company

A. Against Directors of our Subsidiary Company: NIL

B. By Directors of our Subsidiary Company: NIL

Note: Our Company has no Subsidiary Company.

litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters since incorporation of the Company.

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 since incorporation of the Company.

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 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 since incorporation

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 done immediately preceding the year of the Red Herring Prospectus for the Company for default or outstanding defaults.

Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company except in respect of income tax liabilities, in respect of which proceedings are pending, as disclosed hereinabove.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

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PART C

GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the other objects clause, enable our Company to carry out its activities.

I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a resolution passed at its meeting held on July 10, 2024 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 special resolution passed in the extra ordinary general meeting held on July 13, 2024 authorized the Issue.
3. Approval dated 31st October, 2024 from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is INE0VN801010

II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

1. Certificate of Incorporation, dated February 10, 2010 issued by the Registrar of Companies, Ahmedabad, in the name of "Rajesh Power Services Limited".
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated June 26, 2024 issued to our Company by the Registrar of Companies, Ahmedabad consequent upon change of name of our Company from "Rajesh Power Services Private Limited" to "Rajesh Power Services Limited".
3. The Corporate Identity Number of the Company is U31300GJ2010PLC059536.



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Advocate and Trade Mark Attorney

INCORPORATION DETAILS OF OUR COMPANY

SR.NO.	Authorization granted Issuing	Issuing Authority	CIN	DATE OF ISSUE	VALID UPTO
1.	Certificate Of Incorporation in The Name Of "Rajesh Power Services Private Limited"	ROC, Ahmedabad	U31300GJ2010PTC059536	10/02/2010	Perpetual
2.	Certificate Of Incorporation for Conversion from Private to Public Company in The Name Of "Rajesh Power Services Limited"	ROC, Ahmedabad	U31300GJ2010PLC059536	26/06/2024	Perpetual

TAX RELATED APPROVALS

Sr. No.	Description	Issuing Authority	Registration/ Approval/ Certificate Number	Date of Issue	Valid Upto
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAECR6294G	10/02/2010	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	AHMR06113C	-	Perpetual
3.	Goods and Service Tax Act (GST), 2017	Government of India	24AAECR6294G1Z7	06/07/2018	Valid Until Cancelled

BUSINESS & LABOUR LAW RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Valid Upto
1.	Shop & Establishment Certificate*	PII/MNM/4000462/0271020	Ahmedabad Municipal Corporation	01/07/2021	Valid Until Cancelled
2.	Electrical Contractor License*	G/AHD/C/1193	Office of the Secretary, Licensing Board	30/04/2010 Renewed: 01/04/2024	Valid upto 31.12.2028

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Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Valid Upto
3.	Certificate of Registration under the Employee Provident Fund*	GJAHD0028915000	EPFO	01/07/2001	Valid Until cancelled
4	Employees State Insurance Act, 1948*	37000247810001001	Employees State Insurance Corporation	31/01/2006	Valid Until cancelled
5	Importer/Exporter Code (IEC)*	08060142288	Ministry of Commerce and Industry	26-12-2006	Valid Until Cancelled

**Approvals are in the name of Rajesh power services Private Limited and the Company has initiated the process of taking all the approval in the new name of the Company i.e., Rajesh power services limited.*

BUSINESS RELATED CERTIFICATIONS

Sr. No.	Registration number	Purpose	Date of Issue	Date of expiry
1	ISO 14000:2015	Environmental management system*	04/01/2023	03/01/2026
2.	ISO 45001:2018	Occupational Health and safety management systems*	04/01/2023	03/01/2026
3.	ISO 50001:2011	Energy management system*	04/01/2023	03/01/2026
4.	ISO 9001:2015	Quality management system*	04/01/2023	03/01/2026

** Certificate are in the name of Rajesh power services Private Limited and the Company has initiated process of taking all the approval in the new name of the Company i.e., Rajesh power services limited.*

Accreditation

Sr. No.	Letter dated	Issued by	Particulars Of Recognition
1	07/08/2024	Gujarat energy transmission corporation limited (GETCO)	Class AA contractor of GETCO for transmission lines work upto 220KV
2	18/09/2024	Gujarat energy transmission corporation limited (GETCO)	Class AA contractor of GETCO for substation and cable laying upto 220KV.
3	18/09/2024	Gujarat energy transmission corporation limited (GETCO)	Class A contractor of GETCO for ERECTION OF LINE H Frame structure and tower line upto 220KV.

Material Licenses/approvals for which our Company is yet to apply / Statutory Approvals/ Licenses required for the proposed expansion.




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We confirm that we do not have any pending Licenses, permissions, and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies which applied for but not yet received.

Note: Some of the approvals are in the name of Rajesh power services Private Limited and the Company has initiated the process of taking all the approval in the new name of the Company i.e., Rajesh power services limited.

INTELLECTUAL PROPERTY RIGHTS RELATED APPROVALS

Sr. No.	Logo/Name	Date of Application	Application No.	Class	Status
1		09/07/2024	6518129	37	Formalities Check Pass

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PART D
KEY 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. For details of such approvals, please see the section titled "Government and other Approvals" in Red Herring Prospectus.

A. INDUSTRY RELATED LAWS AND REGULATIONS

Electricity Act, 2003

The Electricity Act, 2003 has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards.

The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector

Energy Consumption Act, 2001

The Act regulates and empowers the Government to specify energy consumption standards for notified equipment and appliances, prohibit manufacture, sale, purchase and import of notified equipment and appliances not conforming to energy consumption standards, establish and prescribe energy consumption norms and standards for designated consumers, direct designated consumers to designate or appoint certified energy manager in charge of activities for efficient use of energy and its conservation, get an energy audit conducted by an accredited energy auditor in the specified manner and interval of time, furnish information with regard to energy consumed and action taken on the recommendation of the accredited energy auditor to the designed agency, comply with energy consumption norms and standards, prepare and implement schemes for efficient use of energy and its conservation if the prescribed energy consumption norms and standards are not fulfilled,

The Central Electricity Authority (Measures Relating to Safety & Electric Supply) Regulation, 2010 and amendments thereto (the "Regulations")

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These regulations were framed with the aim to regulate the process and mechanism of installation of electrical grids, transmission lines, distribution lines and other infrastructural set ups for production, transmission and distribution of electricity and to ensure safety measures of the contractors and public. These regulations regulate the mechanism of granting of licenses to electrical service providers i.e. turnkey project operators, contractors engineers and like for infrastructure developers and other projects.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 and

Rajasthan Electrical Inspectorate (Formation of Technical Committee and Grant of competency certificate to work and permit to work) Rules, 2016 (the "Rules")

The Rules were framed under regulation 29 of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 for granting licence to work as Electrical Contractor, Supervisor, Wireman, and Chartered Electrical Safety Engineer for Electrical Installation Works on the fulfilment of eligibility conditions. It also covers the electrical installation works that can be undertaken by the contractor in the State of Rajasthan along with the application procedure.

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 articles of any scheduled industry, process, system of service which it considers necessary in the public interest or for 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 option 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 106 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.

Shops and Establishments Legislations

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

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Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the “T.P. Act”) governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. 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. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the “Sale of Goods Act”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

The Registration Act, 1908

The Registration Act, 1908 (the “Act”) was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for



an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provide the sub-registrars and other officers, the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list mentioned in the Seventh Schedule of the Constitution of India, is governed by the provisions of the Indian Stamp Act, 1899 (the "Act"), all others instruments are required to be stamped, as per the rates laid down by the State Governments. Stamp duty is required to be paid on such category of transaction documents laid down under the various laws of the states, which denotes that stamp duty was paid before the document became legally binding. The stamp duty has to be paid on such documents or instruments and at such rates which have 107 been specified in the First Schedule of the Act. Instruments as mentioned in the said schedule of the Act, if are not duly stamped are not admissible in the court of law as valid evidence for the transaction contained therein.

The Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the relevant authorities and validated by imposing of penalty on the parties. The amount of penalty payable on such instruments may vary from state to state.

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.

B. TAX RELATED LAWS

The tax related laws that are applicable to our Company include the Customs Act, 1962, the Income Tax Act, 1961, the Income Tax Rules, 1962 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations, and the Integrated Goods and Services Tax Act, 2017.

C. ENVIRONMENT RELATED LAWS

As of date of this Red Herring Prospectus, our Company does not carry out manufacturing activities, therefore it is not required to obtain registration or approvals under the relevant environmental laws. However, a general summary of the environmental related laws have been provided below:

National Environmental Policy, 2006

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

Environment (Protection) Act, 1986 as amended ("EPA")

EPA provides for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.



Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

D. INTELLECTUAL PROPERTY LAWS

Trade Marks Act, 1999

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trade Mark Act**”) governs the statutory protection of trademarks and for the prevention of the use of Fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice. In March 2017, the Trade Marks Rules, 2017 (“**Trade Mark Rules**”) were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees.

E. FOREIGN TRADE RELATED LAWS

Foreign Trade (Development and Regulation) Act, 1992, as amended (“Foreign Trade Act”).

The Foreign Trade Act empowered the Central Government to make provisions for the development and regulation of foreign trade by way of facilitating imports into as well as augmenting exports from the country and in all other matters related to foreign trade. The government has also been given a wide power to prohibit, restrict and regulate the exports and



imports in general as well as specified cases of foreign trade. It is authorised to periodically formulate the Indian Foreign Trade Policy, 2015-20 (“Foreign Trade Policy”) and amend it thereafter whenever it deems fit. All exports and imports are required to be in compliance with this policy. The Foreign Trade Policy provides for certain schemes for the promotion of export of finished goods and import of inputs. The Foreign Trade Act, read with the Foreign Trade Policy, also provides that no person or company can make exports or imports without having obtained an importer exporter code (IEC) number unless such person or company is specifically exempted. The IEC shall be valid until it is cancelled by the issuing authority.

F. EMPLOYMENT RELATED LAWS

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970. Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. A brief summary of the aforementioned laws have been provided below:

The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the



Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The Central Government has notified certain provisions of this code.

Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA Act")

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen, is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

Employees State Insurance Act, 1948, as amended (the "ESIC Act")



The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers. Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the “EPF Act”) The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the state provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 1 million.



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

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

("SHWW Act") provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

G. GENERAL CORPORATE AND OTHER ALLIED LAWS

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Sale of Goods Act, 1930, Consumer Protection Act, 1986, Anti-Trust law such as Competition Act, 2002 and corporate Acts namely Companies Act, 2013 are also applicable to the Company.

Date: 11/11/2024

Place: Ahmedabad



Vivan Patel
Advocate

