



**Vakalat
India**



Date: 09/09/2024

To,
The Board of Directors
TECHERA ENGINEERING (INDIA) LIMITED
Gat No. 565, Behind Namo Marble & Timbers,
At Post Velu, Tal. Bhore, Pune, Maharashtra 412205

CC:

SKI CAPITAL SERVICES LIMITED
718, Dr. Joshi Road, Karol Bagh
New Delhi 110015

Re: Proposed Initial Public Offer of equity shares by TECHERA ENGINEERING (INDIA) LIMITED

Subject: Legal Due Diligence Report of TECHERA ENGINEERING (INDIA) LIMITED ("TEIL")

Dear Sir(s),

I have carried out Legal Due Diligence of the records and documents of M/s Techera Engineering (India) Limited ("TEIL"), a Company incorporated under the provisions of the Companies Act, 2013 having its registered office at Gat No. 565, Behind Namo Marble & Timbers, At Post Velu, Tal. Bhore, Pune, Maharashtra 412205 (*hereinafter referred to as 'the Company'/'TEIL' as the context may require*) in connection with the proposed Initial Public Offer ('IPO') on the NSE Emerge, in terms of *Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*, and other applicable legal and regulatory requirements including Acts and Rules and Regulations framed thereunder.

Based on the records and the digital information made available to me by TEIL and/or its Directors, Promoters, Key Management Personnel or KMPs contents whereof I *bona-fide* believed to be true, I report as under:

The company was originally incorporated on **03/10/2018** as '*Techera Engineering (India) Private Limited*' under the Companies Act, 2013 (Registrar of Companies, Central Registration Centre) bearing CIN No. *U29100PN2018PTC179327*. The Name of the Company was changed to '*Techera Engineering (India) Limited*' pursuant to Special Resolution passed in Extra-Ordinary General Meeting held on May 05, 2023.

The company converted itself to a Public Limited Company with effect from *May 29, 2023* and was allotted *U29100PN2018PLC179327*. Its Registration Number is *179327*. Accordingly, the company is now known as **Techera Engineering (India) Limited**.



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**305-A D-Mall Netaji Subhash Place,
New Delhi-110034**

Our Company is engaged in the business of manufacture, produce, alter, process, convert, treat, improve, assemble, commercialise, roll, re roll, melt, mould, design, develop, fabricate which are used for automobile industry, mechanical industry, chemical industry, machine tool industries, automobile industries, plastic industry.

FORMATION OF THE BOARD OF DIRECTORS:

Following is the formation of the Board of Directors of Techera Engineering (India) Limited:

S.N.	Name of Directors	DIN/PAN	Designation	Date of Joining/ w.e.f.
1	Nimesh Rameshchandra Desai	02779330	Managing Director	01/06/2019
2	Manish Gupta	01462245	Independent Director	28/11/2023
3	Haridas Nilkanth Bhabad	02823879	Independent Director	28/11/2023
4	Sandip Dattatraya Shinde	CPGPS8329B	Chief Financial Officer	28/11/2023
5	Kalpana Nimesh Desai	02779365	Director	11/04/2023
6	Pratiksha Kumbhare		Company Secretary	16/01/2024

PLACE(S) OF BUSINESS:

S. No.	Description	State	Owned by	Location	Status Considertaion	Validity
1	Registered Office	Maharashtra	Family member of Konde-deshmukh	Gat No. 565, Behind Namo Marble & Timbers, At Post Velu, Tal. Bhore, Pune, Maharashtra 412205	License agreement INR 10,00,000 (Indian Rupees Ten Lakhs Only)	60 months from 01/01/2020 to 31/12/2024

PROMOTER AND PROMOTER GROUP:

TEIL has two individual promoters namely, (1) **Mr. Nimesh Rameshchandra Desai** and (2) **Mr. Meet Nimesh Desai**. (3) **Kalpana Nimesh Desai**

The 'Promoter Group' of the company is according as under:

- **Mr. Nimesh Rameshchandra Desai, Promoter and his Group:**

S. No.	Name of Promoter/Promoter Group	Classification	Relationship with Promoter
Promoter (Individual)			
1	Nimesh Rameshchandra Desai	Promoter	Promoter
Individuals forming parts of the Promoter Group under Regulation 2(1)(pp)(ii) of ICDR, 2018			
1	Rameshchandra Bhagwanji Desai	Promoter Group	Father
2	Sarojben Rameshchandra Desai	Promoter Group	Mother
3	Kalpna Nimesh Desai	Promoter Group	Spouse
4	Shilpa Desai	Promoter Group	Sister
8	Meet Nimesh Desai	Promoter Group	Children
9	Jeet Nimesh Desai	Promoter Group	Children
10	Arvind Trivedi	Promoter Group	Father of Spouse
11	Savitri Trivedi	Promoter Group	Mother of Spouse
12	Nilesh Trivedi	Promoter Group	Brother of Spouse
13	Trupti Rambhiya	Promoter Group	Sister of Spouse
Bodies Corporate forming parts of the Promoter Group *			
1	Not Applicable		

- **Mr. Meet Nimesh Desai, Promoter and his Group:**

S. No.	Name of Promoter/Promoter Group	Classification	Relationship with Promoter
Promoter (Individual)			
1	Meet Nimesh Desai	Promoter	Promoter
Individuals forming parts of the Promoter Group under Regulation 2(1)(pp)(ii) of ICDR, 2018			
1	Nimesh Ramechandra Desai	Promoter Group	Father
2	Kalpna Nimesh Desai	Promoter Group	Mother
3	Priyanka Meet Desai	Promoter Group	Spouse
4	Jeet Nimesh Desai	Promoter Group	Brother
5	Trishaan Meet Desai	Promoter Group	Children
6	Mr. Manoj Kumar gupta	Promoter Group	Spouse
7	Anil Kadam	Promoter Group	Father of Spouse
8	Pooja Anil Kadam	Promoter Group	Mother of Spouse
9	Aniket Anil Kadam	Promoter Group	Brother of Spouse
Bodies Corporate forming parts of the Promoter Group *			
1	Not Applicable		

- **Mrs. Kalpana Nimesh Desai, Promoter and his Group:**

S. No.	Name of Promoter/Promoter Group	Classification	Relationship with Promoter
Promoter (Individual)			
1	Kalpana Nimesh Desai	Promoter	Promoter
Individuals forming parts of the Promoter Group under Regulation 2(1)(pp)(ii) of ICDR, 2018			
1	Arvind Trivedi	Promoter Group	Father
2	Sunita Trivedi	Promoter Group	Mother
3	Nimesh Rameshchandra Desai	Promoter Group	Spouse
4	Nilesh Trivedi	Promoter Group	Brother
5	Jasmina Devakonda, Hema Trivedi, Trupti Rambhiya	Promoter Group	Sister
6	Meet Nimesh Desai	Promoter Group	Son
7	Priyanka Meet Desai	Promoter Group	Son's Spouse
8	Rameshchandra Bhagwanji Desai	Promoter Group	Father of Spouse
9	Sarojben Rameshchandra Desai	Promoter Group	Mother of Spouse
10	Shilpa Desai	Promoter Group	Sister of Spouse
Bodies Corporate forming parts of the Promoter Group *			
1	Not Applicable		

* The Promoter holds 20% or more shares in the bodies corporate forming parts of the Promoter Group.

- Classification of *promoter and promoter group* in terms of 2(1)(oo) and 2(1)(pp) of SEBI (ICDR) Regulations, 2018.

GROUP COMPANIES

TEIL has **NO** 'Group Company' within the meaning of Regulation 2(1)(t) of the SEBI(ICDR) Regulations 2018 and Accounting Standard [INS24]

REGISTRATION (INCORPORATION) OBTAINED UNDER THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013

S. No.	Incorporation	Company Identification Number	Law	Issued by	Issued on	Expiry Date
1	Original Certificate of Incorporation	U29100PN2018PTC179327	Companies Act, 2013	Registrar of Companies, NCT of Delhi and Haryana	03/10/2018	Replaced by fresh Certificate of Incorporation
2	Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Limited Company	U29100PN2018PLC179327	Companies Act, 2013	Registrar of Companies, NCT of Delhi and Haryana	29/05/2023	Valid till its Cancellation

REGISTRATION UNDER TAX STATUTES:

S. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1	Permanent Account Number (PAN)	AAGCT9555J	Income Tax Department, Government of India	03/10/2018	Till cancelled
2	Tax Deduction Account Number (TAN)	PNET12720B	Income Tax Department, Government of India	26/07/2023	Till cancelled
3	Certificate of Enrolment	99863280767P	DS Department of Goods and Service Tax, Maharashtra	01/04/2019*	Till Cancelled
Goods and Services Tax (GST) Registration Certificates issued in respect of different states:					
1	Maharashtra	27AAGCT955J1ZO	Government of India, State Tax Officer	13/11/2018*	NA

*Issued in the name of Techera Engineering (India) Private Limited

LICENSES/ APPROVALS/CERTIFICATES WITH REGARD TO CORE BUSINESS:

Sl. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1	Factory License	122102599900000	DS Department of Goods and Service Tax, Maharashtra	11/01/2023*	Till cancellation
2	EPCG	3130011118	Directorate of General Foreign Trade	02/03/2020*	02/03/2026 [#]
3	UDYAM Registration Certificate	UDYAM-MH-26-0064789	Ministry of Micro, Small and Medium Enterprise	03/10/2018*	Till cancelled
4	Importer Exporter Code (IEC)	AAGCT9555J	DGFT, Ministry of Commerce and Industries, Government of India	13/11/2018 (Modified on 04/07/2023)	NA

*Issued in the name of Techera Engineering (India) Private Limited

[#]Export obligation period of 6 years to expire not before 02/03/2026

LICENSES/ APPROVALS/CERTIFICATES UNDER INDUSTRIAL AND LABOUR LAWS:

S. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1	Registration of Certificate of Shop or Commercial Establishment	1831000312531241	Labour Department, Maharashtra	16/10/2018	Till cancelled
2	Registration of Employees of Factories and Establishments	33000669740001099	Employee State Insurance Corporation	10/05/2019	Till cancelled
3	Registration of Provident Fund	PUPUN1958600000	Employees Fund Organisation	10/05/2019	Till cancelled

INSURANCE POLICIES PURCHASED BY TEIL:

S. No.	NAME OF POLICY	POLICY NO.	COVERAG E STARTS	COVERAG E ENDS	SUM INSURED
1	Hdfc Ergo Business Secure - Sookshma Udyam Policy	2949205624359 301000	08/08/2024	07/08/2025	12,500,000/-
2	Hdfc Ergo Business Secure - Sookshma Udyam Policy	2949205624452 401000	08/08/2024	07/08/2025	5,00,00,000/-
3	Fire and Allied Perils – Bharat Laghu Udyam Suraksha	OG-24-2015-4094-00000003	10/03/2024	09/03/2025	268,813,217/-

INTELLECTUAL PROPERTY OF TEIL

S. NO.	NATURE OF IP	TRADE MARK	CLASS	DATE OF CERTIFICATE	TRADE MARK NO.
1	Trade Mark	TechEra	7	30/04/2019	4162837

Particulars of domain registered in the name of TEIL whereof are as under:

S. NO.	NATURE OF IP	TRADE MARK	CLASS
1	Domain	techera.co.in	Registered

APPLICABLE LAWS AND RESPECTIVE PREAMBLES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" beginning on Page No. 157 of this Draft Prospectus.

THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

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

SEBI REGULATIONS:

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

BUSINESS / TRADE RELATED LAWS / REGULATIONS:

Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.

Since our Company is involved in the business of web hosting, software development, providing real time solutions at the place of the Clients and development of tailor-made systems at the clients' place at their specifications using computer or computerized system. During the course of development of such products, we interchange sensitive information, data, records, functions, security procedures and like and hence our working is governed by Information Technology Act, 2000. This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

The Personal Data Protection Bill, 2019 ("Bill")

The Personal Data Protection Bill, 2019 was introduced in Lok Sabha on December 11, 2019. The Bill seeks to provide for protection of personal data of individuals and establishes a Data Protection Authority for the same. Data Protection refers to the set of privacy laws, policies and procedures that aim to minimise intrusion into one's privacy caused by the collection, storage and dissemination of personal data. Personal data generally refers to the information or data which relate to a person who can be identified from that information or data whether collected by any Government or any private organization or an agency.

National Digital Communications Policy 2018

With significant capabilities in both telecommunications and software, India, more than most countries, stands poised to benefit from harnessing new digital technologies and platforms to unlock productivity, as well as to reach unserved and underserved markets; thus catalysing economic growth and development, generating new-age jobs and livelihoods, and ensuring access to next generation services for its citizens. This policy aims for Universal Coverage rather than revenue maximization. This policy and principles framework will enable creation of a vibrant competitive telecom market to strengthen India's long term competitiveness and serve the needs of our aspiring nation. The Policy aims to remove regulatory barriers and reduce the regulatory burden that hampers investments, innovation and consumer interest and identifies steps to strengthen the sector's institutional mechanism and legislative framework, to ensure that India's economy and citizens can derive the full potential of its digital communications sector.

Data Center Policy, 2020

Indian Data Centre market has seen tremendous growth in the past decade, riding on the explosion of data through smartphones, social networking sites, ecommerce, digital entertainment, digital education, digital payments and many other digital businesses / services. This growth in data is further stimulated by adoption of emerging technologies such as quantum computing, artificial intelligence, internet of things etc. While the Data Centre sector is witnessing growth in the country, there are known impediments to its growth such as lack of infrastructure or Industry status of the Data Centres, complex clearance processes, time consuming approvals, high cost of power, lack of published standards, absence of specialised building norms for building the Data Centres, submarine cable network connectivity limited to few states and high cost of capital and operational expenditure etc. This policy aims to offset these challenges in order to accelerate the current pace of growth and propel India in becoming a global Data Centre hub.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered

and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance

State Tax on Profession, Trades, Callings and Employment Rules, 1975

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

LAWS RELATED TO FOREIGN TRADE AND INVESTMENTS:

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder.

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 of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA 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, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted in under the automatic route in the IT sector.

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in supression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2015-2020:

FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India' programme. It introduces two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for export of specified goods to specified markets and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services. In view of the unprecedented current situation arising out of the pandemic Novel COVID-19 and to provide continuity in the policy regime, the FTP 2015-2020, valid till 31.03.2022 has been further extended till 30.09.2022 with similar extensions made in the related procedures

LAWS RELATING TO INTELLECTUAL PROPERTY

Copyright Act, 1957 ("Copyright Act")

Softwares unless attached to machines, in India are protected under Copyright Act and protected from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

Trademarks Act, 1999

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

The Patents Act, 1970:

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

The Designs Act, 2000 (Designs Act)

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

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 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.

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 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.

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.

Employees State Insurance Act, 1948, as amended (the "ESI 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.

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.

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")
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")

- Contract Labor Regulation and Abolition) Act, 1970 (CLRA) and Contract Labor (Regulation and Abolition) Central Rules, 1971 (Contract Labor Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

OTHER GENERAL REGULATIONS

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.

Other regulations:

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

LAWS RELATED TO ENVIRONMENT

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.

LAWS RELATED TO THE STATE:

Shops and Establishments Laws in Various States

As per the provisions of local Shops and Establishments laws applicable in the state of business of the organization, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit 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 are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

LITIGATIONS AND MATERIAL LITIGATIONS

Except as stated in this report, there are no:

(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 the company, its Subsidiary, Directors or Promoters; (v) Outstanding dues to MSMEs and other creditors (vi) Material Dues (as defined below) to creditors; In relation to (iv) above, our Board, at its meeting held on 23.12.2022 has determined Material Litigation as:

- a. The aggregate amount involved in an individual litigation exceeds 10% of the consolidated profit after tax (PAT) of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the abovementioned thresholds, if similar litigations put together collectively exceed 10% of the consolidated profit after tax of the Company such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company's business, operations, prospects or reputation.
- b. There are no outstanding litigation involving ESL's Group Companies, the outcome of which would have a material impact on the Company except as stated in this report

Note: Group Companies are identified as per Regulation 2(t) of the SEBI(ICDR) Regulations 2018 and Accounting Standard [INS24]

- c. In relation to (vi) above, our Board, at its meeting held on 23.12.2022 has determined 'Material Dues' as:

Outstanding dues to creditors in excess of 10% of the outstanding trade payables as per the last audited financial statements.

Based on this policy, the Company had outstanding dues to creditors as follows:

Nature of Creditors	Amount (Rs. In Lakh)
Micro, Small and Medium Enterprises	236.24
Others	130.65
Dues to Related Parties	74.98

Further, on 31.03.2024 the Company has outstanding amount to micro-enterprises and small enterprises and medium enterprises based on the available information and records.

Details of Material Dues to creditors as required under the SEBI (ICDR) Regulations have been disclosed on the company's website at [https:// www.techera.co.in](https://www.techera.co.in)

It is further clarified that for the purposes of the above, pre-litigation notices received by the Company, Subsidiaries, Directors or Promoter shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiaries, Directors or Promoters, as the case may be, is impleaded as a defendant in litigation before any judicial forum.

Except as disclosed herein, the Company, its Directors and Promoters are not *Willful Defaulters* and there have

been no violations of securities laws in the past or pending against them.

There are no litigations including criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offenses, tax liabilities, show cause notice or any legal notice pending against the Company, Directors, Promoter and Promoter Group and, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company. There are no proceedings initiated for economic, civil, or any other offences including past cases where penalties may or may not have been awarded and whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013 other than unclaimed liabilities of the Company, and no disciplinary action has been taken by Securities and Exchange Board of India ('SEBI') or any stock exchange against the Company, Directors, Promoter Group Companies.

There are No:

- (a) Litigations or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against the Promoter of the Company during the last five year;
- (b) Directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- (c) Pending proceedings initiated against the Company for economic offences;
- (d) Default and non-payment of statutory dues by the Company
- (e) Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Act in the last five years against the Company and Subsidiaries including fines imposed or compounding of offenses done in those five years;
- (f) Material frauds committed against the Company in the last five years;
- (g) Cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- (h) Pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- (i) Pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
- (j) Outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.

Accordingly, I have disclosed all information about outstanding litigations involving the Company, Promoter, Directors, and Group Entities/Companies irrespective of whether they are considered to be material or not or materiality thereof could not be ascertained.

In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of the Company or when materiality thereof could not be ascertained due to lack of information with or confirmation from the Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Report.

SUMMARY OF OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory/ Regulatory Proceedings	Disciplinary Action By Sebi/ Stock Exchange	Material Civil Litigations	Aggregate Amount Involvement (Rs. In Lakhs)
Company						
By the company	NIL	NIL	NIL	NIL	NIL	NIL
Against the company	NIL	NIL	NIL	NIL	NIL	NIL
Directors						
By the directors	NIL	NIL	NIL	NIL	NIL	NIL
Against the directors	NIL	NIL	NIL	NIL	NIL	NIL
Promoters						

By the promoters	NIL	NIL	NIL	NIL	NIL	NIL
Against the promoters	NIL	NIL	NIL	NIL	NIL	NIL
Subsidiaries						
By the subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
Against the subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL

I.LITIGATIONS INVOLVING THE COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

///II.LITIGATIONS INVOLVING THE PROMOTER OF THE COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

III.LITIGATIONS INVOLVING THE DIRECTORS OF THE COMPANY OTHER THAN PROMOTER OF THE COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

IV.LITIGATIONS INVOLVING GROUP ENTITIES: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

Our Company has no group entity as on the date of filing of this Draft Prospectus

V.LITIGATIONS RELATING TO THE DIRECTORS OF GROUP ENTITIES: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

Our Company has no group entity as on the date of filing of this Draft Prospectus

VI.LITIGATIONS RELATING TO THE SUBSIDIARY COMPANY AND HOLDING COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

Our Company has no Holding or Subsidiary Company as on the date of filing of this Draft Prospectus

VII.LITIGATIONS RELATING TO THE DIRECTORS OF SUBSIDIARY COMPANY: NIL

1. Litigation Involving Criminal Laws

Nil

2. Litigation Involving Actions By Statutory/ Regulatory Authorities

Nil

3. Disciplinary Actions By Authorities

Nil

4. Litigation Involving Tax Liability

Nil

5. Other Pending Litigation Based On Materiality Policy Of Our Company

Nil

Our Company has no Holding or Subsidiary Company as on the date of filing of this Draft Prospectus

VIII.DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NIL

OTHER LITIGATIONS INVOLVING ANY OTHER ENTITIES WHICH MAY HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offenses, tax liabilities, prosecution under any enactment in respect of the Companies Act, Show Cause Notices or Legal Notices pending against any company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NOT APPLICABLE

Change in Accounting Policies in the last three (3) years

There has been no change in accounting policies in the last three (3) years.

The Net worth of the company on 31.03.2024 – Rs. 1590.14 Lakh

I further confirm that except as stated hereinabove:

- (a) TEIL/the Company, its Promoter, and other Companies with which Promoter are associated have neither been suspended by SEBI nor has any disciplinary action been taken against them or either of them by SEBI.
- (b) There is no material regulatory or disciplinary action by a Stock Exchange or Regulatory Authority in the past years in respect of the Promoter of the Company, group company's entities, entities promoted by the Promoter of the Company.
- a. Further, none of the Directors of the Company has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
- b. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter, group entities, companies promoted by the Promoter during the past three years except as under:
- c. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- d. There is no pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- e. There are no pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
- f. There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- g. There are no litigations against the Promoter / Directors in their capacity.
- h. There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.

I carried out my legal due diligence by investigating and studying the data and information provided by the company and their agent authorized by the company and the digital data available in the public domain like all the litigation information available on the websites of Supreme Court of India, jurisdictional High Courts including at Delhi and at Chandigarh, e-Court Services, etc. and further declarations by the concerned persons and the entities. To the best I could reasonably ascertain there is no contingent legal liability exists which adversely affects the business of the company or the operation of the company.

I confirm that, the Lead Manager to the IPO can rely on this Legal Due Diligence Report of Techera Engineering (India) Limited for the disclosure purposes in the Offer Documents.

In case of any changes in the contents of this Report which may come to my attention or as informed to me by the Company, the same shall be intimated to the Lead Manager on priority.

Thanking you,
For M/s Vakalat-India, Advocates

**KAUSIK
CHATTERJEE** Digitally signed by
KAUSIK CHATTERJEE

Kausik Chatterjee, Advocate
Enrolment No. F/1564/1093/2011 (WB)
DHCBA Membership No. 25521/2022

Date: 11/09/2024

Place: New Delhi

ANNEXURE: A

The details of the cases filed by or against the Company

i. Criminal Proceedings

There are no criminal proceedings initiated/filed against the Company and there are no criminal proceedings initiated/filed by the Company.

ii. Actions by statutory/regulatory authorities

There are no actions initiated by any statutory/regulatory authorities against the Company and there are no actions initiated before any statutory/regulatory authorities by the Company.

iii. Tax Proceedings: Nil

iv. Other Litigations filed by or against the Company: Nil

ANNEXURE: B

The details of the cases filed by or the cases filed against the Promoter of the Company

A. Against the Promoter of the Company – Nil

B. By the Promoter of the Company - Nil

ANNEXURE: C

The details of the cases filed by or the cases filed against the Directors (other than the Promoter) of the Company

A. Against the Directors (other than the Promoter) of the Company - Nil

B. By the Directors (other than the Promoter) of the Company – Nil

C. Tax proceedings involving the Directors (other than the Promoter) - NIL

ANNEXURE: D

The details of the cases filed by or the cases filed against the Group Entities/Companies of the Company

A. Against the Group Entities/ Companies of the Company - Nil

B. By the Group Entities/ Companies of the Company – Nil

C. Tax proceedings involving the Group Entities/ Companies of the Company - NIL

ANNEXURE: E

The details of the cases filed by or the cases filed against the Directors of the Group Entities/ Companies

A. Against the Directors of Group Entities/ Companies of the Company - Nil

B. By the Directors of Group Entities/ Companies of the Company – Nil

C. Tax proceedings involving the Directors of Group Entities/ Companies of the Company - NIL

ANNEXURE: F

The details of the cases filed by or the cases filed against the Subsidiary Company of the Company

A. Against the Subsidiary Company of the Company - Nil

B. By the Subsidiary Company of the Company – Nil

C. Tax proceedings involving Subsidiary Company of the Company - Nil

The Company has no subsidiary company as of the date of this Legal Due Diligence Report.