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**ESCONET TECHNOLOGIES LIMITED**  
CIN: U62099DL2012PLC233739

Prospectus  
Dated: February 20, 2024  
Please read Section 26 and 32 of The Companies Act, 2013  
100% Book Built Issue

REGISTERED OFFICE		CONTACT PERSON	EMAIL ID & CONTACT NO	WEBSITE
D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi – 110020		Mr. Rajnish Pandey (Company Secretary and Compliance Officer)	<b>Email:</b> <a href="mailto:cs@esc.co.in">cs@esc.co.in</a> <b>Tel:</b> +91 9311881642	<a href="https://www.esc.co.in/">https://www.esc.co.in/</a>
THE PROMOTERS OF OUR COMPANY ARE MR. SANTOSH KUMAR AGRAWAL, MR. SUNIL KUMAR AGRAWAL AND MR. VINEET AGRAWAL				
DETAILS OF THE ISSUE TO PUBLIC				
TYPE	FRESH ISSUE	OFS SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	33,60,000 Equity Shares aggregating to ₹ <b>2,822.40</b> Lakhs	Nil	33,60,000 Equity Shares aggregating to ₹ <b>2,822.40</b> Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations, 2018. As the Company’s post issue face value capital exceeds ₹1000 Lakhs but does not exceed ₹ 2500 Lakhs.
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION				
NAME	TYPE	NUMBER OF SHARES OFFERED / AMOUNT IN ₹		WACA IN ₹ PER EQUITY SHARE
NIL				
RISKS IN RELATION TO THE FIRST ISSUE				
This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Issue Price” beginning on page 86, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 27 of this Prospectus.				
ISSUER’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
LISTING				
The Equity Shares offered through the Prospectus are proposed to be listed on the Emerge platform of National Stock Exchange of India Limited (“NSE Emerge”). In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our Company has received in-principal approval letter dated <b>February 09, 2024</b> from NSE Emerge for using its name in this Offer document for listing our shares on the NSE Emerge. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited.				
BOOK RUNNING LEAD MANAGER TO THE ISSUE			REGISTRAR TO THE ISSUE	
 Corporate Capital Ventures				
CORPORATE CAPITAL VENTURES PRIVATE LIMITED B1/E13, First Floor, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110044, Tel: +91 11 - 41824066; Email: <a href="mailto:smeipo@ccvindia.com">smeipo@ccvindia.com</a> Investor Grievances Email id- <a href="mailto:investor@ccvindia.com">investor@ccvindia.com</a> Website: <a href="http://www.ccvindia.com">www.ccvindia.com</a> SEBI Registration: INM000012276 Contact Person: Mrs. Harpreet Parashar			SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 Tel No.: +91- 11-40450193-97; Fax No.: +91-11-26812683 E-mail: <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> Investor Grievances Email id- <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> Website: <a href="http://www.skylinerta.com/">http://www.skylinerta.com/</a> SEBI Registration No.: INR000003241 Contact Person: Mr. Anuj Rana	
ISSUE PROGRAMME				
ANCHOR INVESTOR PORTION OFFER OPENS/CLOSE			THURSDAY, FEBRUARY 15, 2024	
ISSUE OPENS ON:			FRIDAY, FEBRUARY 16, 2024	
ISSUE CLOSES ON:			TUESDAY, FEBRUARY 20, 2024	

Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**ESCONET TECHNOLOGIES LIMITED**  
**CIN: U62099DL2012PLC233739**

Our Company was originally incorporated on March 30, 2012 as a Private Limited Company as “Esconet Technologies Private Limited” vide Registration No. 233739 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our shareholder in the Extra – Ordinary General Meeting held on August 09, 2023 main objects of the Company was altered and a Fresh Certificate of Incorporation was issued on August 18, 2023 by the Registrar of Companies, Delhi. Subsequently, pursuant to a special resolution passed by the Shareholders at their Extra-Ordinary General Meeting held on August 09, 2023, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to “Esconet Technologies Limited” and a Fresh Certificate of Incorporation consequent to Conversion was issued on September 21, 2023 by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U62099DL2012PLC233739. For further details of change in name and change in Registered Office of our Company, please refer to section titled ‘Our History and Certain Other Corporate Matters’ beginning on page 157 of this Prospectus.

**Registered Office:** D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi - 110020

**Tel:** +91 9311881642 **E-mail:** [cs@esc.co.in](mailto:cs@esc.co.in); **Website:** <https://www.esc.co.in/>;

**Contact Person:** Mr. Rajnish Pandey, Company Secretary and Compliance Officer;

**OUR PROMOTERS: MR. SANTOSH KUMAR AGRAWAL, MR. SUNIL KUMAR AGRAWAL AND MR. VINEET AGRAWAL**

**PUBLIC ISSUE OF 33,60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF ESCONET TECHNOLOGIES LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 84 PER EQUITY (THE “ISSUE PRICE”) AGGREGATING TO ₹ 2822.4 LAKH (“THE ISSUE”) COMPRISING OF A FRESH ISSUE OF 33,60,000 EQUITY SHARES AGGREGATING TO ₹ 2822.4 LAKH (THE “FRESH ISSUE”) OF WHICH 1,76,000 EQUITY SHARES AGGREGATING TO ₹ 147.84 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 31,84,000 EQUITY SHARES AGGREGATING TO ₹ 2674.56 LAKH (THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.18% AND 25.76% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**PRICE BAND: ₹ 80.00 to ₹ 84.00 PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH AND THE ISSUE PRICE IS 8.00 TO 8.40 TIMES OF THE FACE VALUE AT THE LOWER PRICE BAND AND THE UPPER PRICE BAND RESPECTIVELY. BID CAN BE MADE FOR MINIMUM OF 1600 EQUITY SHARES AND THE MULTIPLES OF 1600 EQUITY SHARES THEREAFTER.**

IN CASE OF ANY REVISION IN THE PRICE BAND, THE BID/ISSUE PERIOD WILL BE EXTENDED BY AT LEAST THREE ADDITIONAL WORKING DAYS AFTER SUCH REVISION IN THE PRICE BAND, SUBJECT TO THE BID/ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. IN CASES OF FORCE MAJEURE, BANKING STRIKE OR SIMILAR CIRCUMSTANCES, OUR COMPANY MAY, FOR REASONS TO BE RECORDED IN WRITING, EXTEND THE BID/ISSUE PERIOD FOR A MINIMUM OF THREE WORKING DAYS, SUBJECT TO THE BID/ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. ANY REVISION IN THE PRICE BAND AND THE REVISED BID/ISSUE PERIOD, IF APPLICABLE, SHALL BE WIDELY DISSEMINATED BY NOTIFICATION TO THE STOCK EXCHANGE, BY ISSUING A PUBLIC NOTICE, AND ALSO BY INDICATING THE CHANGE ON THE RESPECTIVE WEBSITES OF THE BOOK RUNNING LEAD MANAGER AND AT THE TERMINALS OF THE SYNDICATE MEMBERS AND BY INTIMATION TO DESIGNATED INTERMEDIARIES AND THE SPONSOR BANK, AS APPLICABLE.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”), the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “**Issue Procedure**” beginning on page 313 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Issue Price” beginning on page 86, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 27 of this Prospectus.

**ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through the Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited i.e., NSE Emerge. Our Company has received ‘in-principle’ approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated **February 09, 2024**. For the purpose of the Issue, the Designated Stock Exchange shall be National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
 Corporate Capital Ventures		 Skyline Financial Services Pvt. Ltd.	
<b>CORPORATE CAPITAL VENTURES PRIVATE LIMITED</b> B1/E13, First Floor, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110044, <b>Tel:</b> +91 11 - 41824066; <b>Email:</b> <a href="mailto:smeipo@ccvindia.com">smeipo@ccvindia.com</a> <b>Investor Grievances Email id-</b> <a href="mailto:investor@ccvindia.com">investor@ccvindia.com</a> <b>Website:</b> <a href="http://www.ccvindia.com">www.ccvindia.com</a> <b>SEBI Registration:</b> INM000012276 <b>Contact Person:</b> Mrs. Harpreet Parashar		<b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 <b>Tel No.:</b> +91- 11-40450193-97; <b>Fax No.:</b> +91-11-26812683 <b>E-mail:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Investor Grievances Email id-</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com/">http://www.skylinerta.com/</a> <b>SEBI Registration No.:</b> INR000003241 <b>Contact Person:</b> Mr. Anuj Rana	
ISSUE PROGRAMME			
<b>ANCHOR INVESTOR PORTION OFFER OPENS/CLOSE</b>		<b>THURSDAY, FEBRUARY 15, 2024</b>	
<b>ISSUE OPENS ON:</b>		<b>FRIDAY, FEBRUARY 16, 2024</b>	
<b>ISSUE CLOSES ON:</b>		<b>TUESDAY, FEBRUARY 20, 2024</b>	

Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date

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PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL  
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise specified or indicates, requires or implies, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.*

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

#### General Terms

Term	Description
“Esconet” –or – “We” or – “us” or – “our Company” or – “the Issuer” – or – “Company”	Unless the context otherwise requires, refers to Esconet Technologies Limited, a company incorporated under the Companies Act, 1956, bearing Corporate Identification Number U62099DL2012PLC233739 and having registered office at D-147 Okhla Industrial Area, Phase-1, South Delhi, New Delhi - 110020.

#### Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Esconet Technologies Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled –Our Management on page 163 of this Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, being M/s Goel Mintri & Associates having FRN 013211N.
Board of Directors / Board/ Director(s)	The Board of Directors of Esconet Technologies Limited, including all duly Constituted Committees thereof.
Central Registration Centre (CRC)	It’s an initiative of Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details please refer <a href="http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html">http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html</a>
Chief Financial Officer	The Chief Financial Officer of our Company being Mr. Himanshu Purohit.
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Rajnish Pandey.
Depositories Act	The Depositories Act, 1956, as amended from time to time.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.
Group Entities	The group entities of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board in terms of the Materiality Policy and as set forth in–Group Entities on page 183 of this Prospectus.
HUF	Hindu Undivided Family.
Indian AS	Indian Accounting Standard
Key Managerial Personnel	The officer vested with executive power and the officers at the level immediately below the

<b>Terms</b>	<b>Description</b>
/Key Managerial Employees	Board of Directors as described in the chapter titled –Our Management on page 163 of this Prospectus.
Key Performance Indicators/ KPIs	Key financial and operational performance indicators of our Company, as included in ‘Basis for the Offer Price’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators’ on pages 88 and 263, respectively
MOA / Memorandum of Association	Memorandum of Association of Esconet Technologies Limited.
Non-Residents	A person resident outside India, as defined under FEMA.
NRIs / Non-Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters or Our Promoters	Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal and Mr. Vineet Agrawal.
Promoters Group	The companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, which is provided in the chapter titled –Our Promoter and Promoters Group. For further details refer page 179 of this Prospectus.
Registered Office	The Registered office of our company which is located at D-147 Okhla Industrial Area, Phase-1, South Delhi, New Delhi – 110020
Restated Financial Statements	The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities for the period ended September 30, 2023 and for the year ended on March 31, 2023, 2022 & 2021 and the restated statements of profit and loss for the period ended September 30, 2023 and for the year ended on March 31, 2023, 2022 & 2021 and the restated cash flows for the period ended September 30, 2023 and for the year ended on March 31, 2023, 2022 & 2021 of our Company prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto
ROC	Registrar of Companies, Delhi.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of National Stock Exchange of India Limited.
Shareholders	Equity shareholders of our Company, from time to time

#### Offer Related Terms

<b>Terms</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.



Terms	Description
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Red Herring Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid / Application Amount in relation to a Bid / Application by an ASBA Applicant.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicants(s) in this Issue who apply (ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	Collectively, the Escrow Collection Banks(s), Sponsor Bank, Refund Bank(s) and Public Issue Bank, in our case being Kotak Mahindra Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 313 of this Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bidding Centres	Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e., Designated Branches of SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	1600 Equity Shares and in multiples of 1600 Equity Shares thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Tuesday, February 20, 2024, which published in English editions of Financial Express (a widely circulated English national daily newspaper), Hindi and editions of Jansatta (a widely circulated Hindi national daily newspaper). Further Hindi is also the regional language of the place where our registered office is located at. Our Company, in consultation with the LM, may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being Friday, February 16, 2024, which published in English editions of Financial Express (a widely circulated English national daily newspaper), Hindi editions of Jansatta (a widely circulated Hindi national daily newspaper). Further Hindi is also the regional language of the place where our registered office is located at.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall

Terms	Description
	also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the LM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited or NSE Emerge.
Draft Red Herring Prospectus	Draft Red Herring Prospectus filed with NSE Emerge for obtaining in-principal approval.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Emerge Platform of NSE	The Emerge Platform of National Stock Exchange of India Limited for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be Finalized and below which no Bids will be accepted.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/Initial Public Offering/ IPO	Public Issue of 33,60,000 Equity Shares of face value of ₹10/- each fully paid of our Company for cash at a price of ₹ 84 per Equity Share (including a premium of ₹ 74 per Equity Share) aggregating ₹ 2,822.40 Lakhs by our Company.
Issue Agreement	The agreement dated November 21, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription is Tuesday, February 20, 2024.
Issue Opening Date	The date on which Issue opens for subscription is Friday, February 16, 2024.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 84 per Equity Share of face value of ₹10/- each fully paid.
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being ₹ 2,822.40 Lakhs.
LM / Lead Manager	Lead Manager to the Issue, in this case being Corporate CapitalVentures Private Limited.



Terms	Description
Listing Agreement	The equity listing agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Makers appointed by our Company from time to time, in this case being S S Corporate Securities Limited having SEBI registration number INZ000219533 who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered into between the Book Running Lead Manager, Market Maker and our Company dated February 09, 2024.
Market Maker Reservation	The Reserved Portion of 1,76,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ 84 per Equity Share aggregating ₹ 147.84 for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/ Offer	The Issue (excluding the Market Maker Reservation Portion) of 31,84,000 Equity Shares of face value of ₹10/- each of Issuer at ₹ 84 (including share premium of ₹ 74) per equity share aggregating to ₹ 2674.56 Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled – “Objects of the Issue” beginning on page 74 of this Prospectus.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹ 2,00,000/-
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Prospectus	The Prospectus, which is filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Price Band	Price Band of a minimum price (Floor Price) of ₹ 80.00 and the maximum price (Cap Price) of ₹ 84.00 and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper, in the language where the registered office of the Company is situated, with wide circulation at least two working days prior to the Bid / Offer Opening Date.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. Kotak Mahindra Bank Limited by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lakh, pension fund with minimum corpus of ₹ 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Bankers to the Offer with whom the Refund Account(s) are opened, in this case being Kotak Mahindra Bank Limited.

<b>Terms</b>	<b>Description</b>
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar Agreement	The registrar agreement Dated November 17, 2023 between our Company and Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar/ Registrar to the Offer	Registrar to the Offer being Skyline Financial Services Private Limited. For more information please refer —General Information on page 53 of this Prospectus.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000/-
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html</a> or at such other website as may be prescribed by SEBI from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI. In this case Kotak Mahindra Bank Limited
Underwriter	Underwriter to this Issue is Corporate Capital Ventures Private Limited.
Underwriting Agreement	The agreement dated February 09, 2024 entered into between our Company, Corporate Capital Ventures Private Limited and SS Corporate Securities Limited.
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Prospectus are open for business 1. However, in respect of announcement of price band and bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business 2. In respect to the time period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

#### Conventional Terms / General Terms / Abbreviations

<b>Abbreviation</b>	<b>Full Form</b>
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
Bn	Billion
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange of India Limited
CAGR	Compounded Annual Growth Rate

Carpet Area	The area of the apartment excluding the thickness of inner walls.
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST Act	Central Goods and Services Tax Act, 2017
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry Government of India
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFO	Employees' Provident Fund Organization
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and theregulations framed there under
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FTP	Foreign Trade Policy
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST Act	Integrated Goods and Services Tax Act, 2017
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India

ISO	International Organization for Standardization
IST	Indian Standard Time
KMP	Key Managerial Personnel
KPI	Key Performance Indicator
Ltd	Limited
MAPIN	Market Participants and Investors Integrated Database
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NDOH	Next Date of Hearing
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NGT	National Green Tribunal
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
OPC	One Person Company as defined under section 2(62) of The Companies Act, 2013
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
Plots	Parcel of land demarcated through boundary
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rs. /₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
RERA	Real Estate Regulatory Authority
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	Securities and Exchange Board of India

SEBI Act	Securities and Exchange Board of India Act, 1992
Sec.	Section
SGST Act	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Super Area	The built-up area added to share of common areas which includes staircases, reception, lift shafts, lobbies, club houses and so on
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UGST Act	Union Territory Goods and Services Tax Act, 2017
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI.
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	The request initiated by the Sponsor Bank and received by an RII using the UPI Mechanism to authorize blocking of funds on the UPI mobile or other application equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a RIB to make an application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
VAT	Value Added Tax
VC	Venture Capital
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WIP	Work in process
WHO	World Health Organization
WEO	WEO World Economic Outlook
YoY	Year on Year

#### Industry Related Terms

Term	Description
AI	Artificial Intelligence
AWS	Amazon Web Services
Azure	Microsoft's Cloud Service
BaaS	Backup as a Service
BGP	Border Gateway Protocol
BYOD	Bring Your Own Device

CMDB	Configuration Management Database
Core	A core, or CPU core, is the "brain" of a CPU (central processing unit). It receives instructions and performs calculations or operations to satisfy those instructions. A CPU can have multiple cores. Each CPU core can perform operations separately from the others. Multiple cores may also work together to perform parallel operations on a shared set of data in the CPU's memory cache.
CPU	Central Processing Unit
DaaS	Desktop as a Service
DHCP	Dynamic Host Configuration Protocol
DNS	Domain Name System
DR	Disaster Recovery
DRaaS	Disaster Recovery as a Service
DDoS	Distributed Denial of Service
GCP	Google Cloud Platform
GPU	Graphics Processing Unit
HCI	Hyper Converged Infrastructure
HDD	Hard Disk Drive
HPFS	High-Performance File System
IAM	Identity and Access Management
IaaS	Infrastructure as a Service
ICT	Information and Communications Technology
IDS	Intrusion Detection System
IP	Internet Protocol
IoT	Internet of Things
ISP	Internet Service Provider
IT	Information Technology
KPI	Key Performance Indicator
LAN	Local Area Network
ML	Machine Learning
MPLS	Multiprotocol Label Switching
NAS	Network Attached Storage
NAT	Network Address Translation
PaaS	Platform as a Service
PFS	Perfect Forward Secrecy
SQS	Quality of Service
RAID	Redundant Array of Independent Disks
RAM	Random Access Memory
SaaS	Software as a Service
SAN	Storage Area Network
SIP	Session Initiation Protocol
SLA	Service Level Agreement
SNMP	Simple Network Management Protocol
SSD	Solid State Drive
SSL	Secure Sockets Layer
TCP/ IP	Transmission Control Protocol/Internet Protocol
TLS	Transport Layer Security
UC	Unified Communications
VoIP	Voice over Internet Protocol
VPN	Virtual Private Network
WAN	Wide Area Network



*Notwithstanding the foregoing:*

- 1. In the section titled “Main Provisions of the Articles of Association” beginning on page number 344 of the Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 2. In the chapters titled “Summary of Offer Documents” and “Our Business” beginning on page numbers 18 and 112 respectively, of the Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 3. In the section titled “Risk Factors” beginning on page number 27 of the Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 4. In the chapter titled “Statement of Tax Benefits” beginning on page number 93 of the Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 5. In the chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page number 263 of the Prospectus, defined terms shall have the meaning given to such terms in that section.*

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Financial Data**

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Ind AS and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “Financial Statements”, as Restated ‘beginning on page 186 this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Ind AS and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Ind AS and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “Financial Statements”, as Restated beginning on page 186 of this Prospectus.

### **Currency and units of presentation**

In this Prospectus, references to Rupees or INR or ₹ are to Indian Rupees, the official currency of the Republic of India. All references to \$, US\$, USD, U.S. \$ or U.S. Dollars are to United States Dollars, the official currency of the United States of America. All references to million / Million / Mn refer to one million, which is equivalent to ten lacs or ten lakhs, the word Lacs / Lakhs / Lac means onehundred thousand and Crore means ten million and billion / bn./ Billions means one hundred crores.

### **Industry and Market Data**

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

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## FORWARD LOOKING STATEMENTS

*All statements contained in the Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, and other matters discussed in the Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.*

*These forward-looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:*

- loss of consumers;
- impact of Covid 19 pandemic or any future pandemic;
- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Adverse natural calamities having significant impact on regions where we are having projects under implementation;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favorable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved.
- Our ability to attract and retain qualified personnel;
- Volatility of loan interest rates and inflation;
- Inability to protect our IP or any third-party claims in relation to infringement of our existing intellectual property rights or in future
- Inability to cater to the evolving consumer preferences, in India and abroad, in the information technology
- The occurrence of natural disasters or calamities; and
- Failure to successfully upgrade our service portfolio, from time to time.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page numbers 27, 112 and 263 respectively of this Prospectus.

Forward looking statements reflects views as of the date of the Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

## SECTION II - SUMMARY OF OFFER DOCUMENTS

### A. SUMMARY OF OUR BUSINESS OVERVIEW

#### OUR COMPANY

Our Company was originally incorporated on March 30, 2012 as a Private Limited Company as “Esconet Technologies Private Limited” vide Registration No. 233739 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our shareholder in the Extra – Ordinary General Meeting held on August 09, 2023 main objects of the Company was altered and a Fresh Certificate of Incorporation was issued on August 18, 2023 by the Registrar of Companies, Delhi. Subsequently, pursuant to a special resolution passed by the Shareholders at their Extra-Ordinary General Meeting held on August 09, 2023, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to “Esconet Technologies Limited” and a Fresh Certificate of Incorporation consequent to Conversion was issued on September 21, 2023 by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U62099DL2012PLC233739.

#### OUR BUSINESS

Esconet Technologies Private Limited, founded in 2012, is engaged in the business of meeting a wide range of IT requirements such as high-performance supercomputing solutions, data centre facilities, encompassing storage servers, network security, virtualization, and data protection. Our comprehensive solutions cater to the needs of SMEs, large enterprises, and public sector clients. Furthermore, Esconet extend its capabilities into the cloud services domain through its wholly owned subsidiary, ZeaCloud Services, ensuring that our clients have access to cutting-edge technology and a seamless IT infrastructure experience.

Throughout this journey, Esconet has garnered not only experience but also the pool of clientele base of private and public sector organizations mentioned below. This positive evolution showcases our commitment to excellence, innovation, and comprehensive client support. As a trusted partner, we are delivering not just solutions, but tailored strategies that empower our clients to thrive in the rapidly evolving landscape of technology.

- Ministry of Defence
- National Informatics Centre-MeitY
- National Informatics Centre Services Inc. – MeitY
- Indian Institute of Technology
- Indraprastha Institute of Technology Limited
- Bharat Electronics Limited
- Oil & Natural Gas Commission Limited
- Engineers India Limited
- Hindustan National Glass & Industries Limited etc.

Recognizing the demand in the Indian market, Esconet introduced its brand, **HexaData**, specializing in high-performance Servers, Workstations, and storage systems. Additionally, Esconet's strategic collaboration with NVIDIA has resulted our growth in the Artificial Intelligence (AI) and Machine Learning (ML) domain, enhancing our servers and workstations.

For detailed information on the business of our Company please refer to “Our Business” beginning on page numbers 112 of this Prospectus.

#### SUMMARY OF OUR INDUSTRY

##### GLOBAL SUPERCOMPUTER MARKET OUTLOOK

The global supercomputer market is projected to increase at an impressive CAGR of 10.5% and hit a valuation of US\$ 19 billion by the end of 2033, up from US\$ 7 billion in 2023.

In comparison to a general-purpose computer, a supercomputer is a high-performance computer. Supercomputer performance is measured in FLOPS (Floating-Point Operations Per Second) rather than MIPS (Million Instructions Per

Second). Supercomputers are employed in computation-intensive and data-intensive technological and scientific applications such as biomechanics, quantum theory, fossil fuel extraction, weather prediction, molecular dynamics, cryptanalysis, nuclear fusion research, and physical simulations.

- The number of supercomputers in the world is growing. China currently possesses 167 of the world's 500 supercomputers, while the United States has 122.

The growing use of supercomputers in the research and development of drugs and increased biotechnology adoption is likely to fuel the market growth during the forecast period. Supercomputers were extensively used to create drugs to combat the COVID-19 pandemic. Supercomputers were employed to scan a massive data volume in a few milliseconds to evaluate the coronavirus's nature and check if any components in existing medications could tackle the virus.

- For example, as part of the European Union-funded EXSCALATE4CoV project in 2020, Sanzio and his Cineca team cooperated with 15 other partners and 24 associated members across Europe. To research the safest coronavirus treatments, the effort brought together four supercomputer platforms in Spain, Germany, and Italy, as well as Europe's leading pharmaceutical corporations and academic institutions. Due to the high-performance computing capacity of supercomputers and the combined capabilities of the project members, the research was completed in a matter of months. The consortium's supercomputers had already examined the interaction of the coronavirus with 400,000 medicinal compounds by the middle of 2020 to see which one could kill the virus and prevent it from growing.
- In November 2020, the two Italian supercomputers, ENI's HPC5 and Cineca's Marconi-100, performed their most challenging work. In approximately 60 hours, they examined over 70 billion medicinal chemicals.

Moreover, major companies' increased efforts in the research and development of supercomputers are bolstering market growth.

- For example, Aurora, a supercomputer created in suburban Chicago by Intel in collaboration with the US Department of Energy's Argonne National Laboratory for AI research, will be two times faster than projected. As per Intel, the computer will be capable of doing two quintillion computations per second.

## **GLOBAL SERVER & TRENDS**

The global server market size is anticipated to reach USD 175.29 billion by 2030, growing at a CAGR of 9.3% from 2023 to 2030, according to the latest study by Grand View Research, Inc. As businesses are moving to private and public clouds, the edge cloud, co-location facilities, and data centers have started utilizing software-defined networks (SDNs) and virtualization to facilitate the implementation of new data analytics models. However, having realized that the incumbent servers cannot handle the complex workloads, server industry players in the region are introducing new server designs with higher computational power.

Newer applications that demand specific configurations and high computing requirements from users and service providers are increasing the adoption of cloud servers for efficient functioning. Enterprises are adopting virtual or cloud servers to enhance their global networking capabilities and cut operational and maintenance costs on their IT infrastructure. Additionally, cloud service providers have to invest significantly in the maintenance of cooling equipment as physical servers dissipate more heat. Due to this, provisions such as renting servers and virtualization have been gaining traction in recent years.

Tower servers are often used for multiple applications, such as communication, network, and file servers. Tower servers are designed to be positioned on or underneath desks. These servers are flexible and easy to upgrade according to customer requirements. Furthermore, their simplicity and robustness favor their adoption across various applications. Moreover, the demand for low-heat and quick-cooling servers is increasing due to the volume of information stored on these servers. These factors are collectively expected to drive the segment during the forecast period.

## **GLOBAL CLOUD SYSTEM MANAGEMENT OUTLOOK**

Cloud System Management Market Size was valued at USD 2.1 billion in 2022. The Cloud System Management market industry is projected to grow from USD 2.34 Billion in 2023 to USD 5.59 billion by 2032, exhibiting a compound annual growth rate (CAGR) of 11.50% during the forecast period (2023 - 2032). Rapidly implementing virtualized workloads and improved productivity in the workplace are the key market drivers enhancing market growth.

Market CAGR for cloud system management is driven by the rising the increasing demand for cloud services that streamline the administration of heterogeneous cloud infrastructures and the increased popularity of hybrid and multi-cloud strategies among enterprises of all sizes and industries. Increased interest in cloud-based technologies from a wide range of industries is helping to fuel the growth of the cloud systems management software market.

With AIOps capabilities, businesses have access to a plethora of tools for automating their IT operations. Organizations are being encouraged to use AIOps solutions due to their capacity for root cause investigation, anomaly identification, and enhanced actionable insights. Companies that adopt AIOps solutions can foresee potential problems and prepare for them. These products assist businesses avoid the expenses caused with application and infrastructure failures. With the use of AIOps systems, businesses can automation alert distribution, problem tracking, and information-sharing. Additionally, in recent years, many businesses have invested a sizable percentage of their profits in their IT infrastructure.

Additionally, Cost reduction, ease of management, dependability, flexibility, and strategic advantage are just a few ways cloud-based system solutions aid businesses. Also, corporations are hesitant to shift data to the cloud and instead choose on-premises infrastructure to keep critical information due to concerns over privacy and security. There have been many breakthroughs and innovations in cloud computing, but the biggest challenges have been security and interoperability.

## **INDIAN SERVER MARKET**

India Server Market was valued at USD 1602.97 million in 2022 and is expected to register a CAGR of 7.19% during the forecast period, owing to a rapidly increasing investment in Data Centre due to increased usage of cloud services in the country.

In order to stop the spread of COVID-19, India went into lockdown. This led to the country's remote working policy, which has been substantially backed by cloud computing solutions and enables employees to do jobs effectively from any place. On the cloud, such as businesses and governments can effectively handle a lot of data. These cloud services are, however, quite vulnerable to issues such as incorrect storage configuration, insufficient identity and access management safeguards, unsafe application programming interfaces (APIs), data loss, breaches, and leaks. These concerns will increase in importance as more businesses adopt cloud computing models, which is likely to spur development in the installation of suitable servers and the construction of suitable data centers. IoT is one of the most crucial connections for sensor and cloud server communication.

### **Government Initiatives**

To open data centers (servers) in various states, the Indian government is considering a number of projects. For example, the UP-Data Center Policy FY2021 established a target investment of INR 20,000 Crores (USD 2.5 Billion) for the development of the 250MW data center industry. The establishment of data centers (servers) in all state areas will be made possible by this. The way we live is changing quickly as a result of technology and data has evolved into a fundamental requirement for urbanization. With more than 1 billion mobile devices and 45 million internet users, India's data center growth is outpacing that of the rest of the world. As a result of this initiative, other parts of India will start investing in the production of servers, which will drive the expansion of the country's server market.

(Source: <https://www.techsciresearch.com/report/india-server-market/7252.html>)

For detailed information on the industry please refer to “Our Industry” beginning on page number 95 of this Prospectus.

## **B. PROMOTERS**

The promoters of our Company are Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal and Mr. Vineet Agrawal.

For detailed information please refer chapter titled Our Promoters and Our Promoter Group on page number 179 respectively of this Prospectus.

## **C. ISSUE SIZE**

The Issue size comprises of fresh issuance of up to 33,60,000 Equity Shares of face value of ₹ 10/- each fully paid-up of the Company for cash at price of ₹ 84 per Equity Share (including premium of ₹ 74 per Equity Share) aggregating ₹ 2,822.40 Lakhs.

## **D. OBJECTS OF THE ISSUE**



Our Company intends to utilize the Net Proceeds for the following objects:

S. N.	Particulars	Amount (In ₹ Lakh)
1.	Working Capital Requirements of the Company	1,600.00
2.	Investment in wholly owned subsidiary company, Zeacloud Services Private Limited, to fund its Capital Expenditure expenses	250.00
3.	General Corporate Purposes*	669.37
<b>Total</b>		<b>2,519.37</b>

\*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

**E. DETAILS OF THE HOLDING OF THE SECURITIES OF PERSONS BELONGING TO THE CATEGORY “PROMOTER AND PROMOTER GROUP” AND PUBLIC BEFORE AND AFTER THE ISSUE**

FROM PROMOTER AND PROMOTER GROUP AND PUBLIC BEFORE AND AFTER THE ISSUE					
S. No.	Name of shareholder	Pre issue		Post issue	
		No. of equity Shares	As a % of Issued Capital	No. of equity Shares	As a % of Issued Capital
Promoters					
1.	Santosh Kumar Agrawal	42,36,100	47.07	42,36,100	34.27
2.	Sunil Kumar Agrawal	31,00,823	34.45	31,00,823	25.10
3.	Vineet Agrawal	88,473	0.98	88,473	0.72
Total – A		74,25,396	82.50	74,25,396	60.09
Promoter Group					
4.	Anil Kumar Agrawal	2,75,000	3.06	2,75,000	2.22
5.	Abha Agrawal	1,76,000	1.96	1,76,000	1.42
6.	Savitri Devi	1,10,000	1.22	1,10,000	0.89
7.	Pooja Gupta	30,000	0.33	30,000	0.24
8.	Monita Agrawal	6,500	0.07	6,500	0.05
9.	Shubhangi Agrawal	3,300	0.04	3,300	0.03
Total – B		6,00,800	6.68	6,00,800	4.85
Public					
10.	Existing Shareholders	9,73,804	10.82	9,73,804	7.88
11.	IPO	-	-	33,60,000	27.18
Total-C		9,73,804	10.82	43,33,804	35.06
Grand Total (A+B+C)		90,00,000	100.00	1,23,60,000	100.00

**F. SUMMARY OF FINANCIAL INFORMATION**

**Restated Consolidated Financials**

(Amount in Lakhs)

Particulars	For the period ended September 30, 2023	For the year ended March 31, 2023
Share Capital	77.78	76.71
Net Worth	902.97	554.19
Revenue (total income)	7,146.71	9690.84
Profit after Tax	305.47	304.00
Earnings per share Basic and Diluted (*3)	39.74	39.63
Net Asset Value per Equity Share (in ₹) (*3)	116.06	72.29
<b>Total Borrowing</b>		
- Long Term	251.10	341.07
- Short Term	757.85	762.82

\*Note

1. September 30, 2023 figures are not annualized
2. The NAV is calculated on the basis of face value of each Equity Shares of Rs. 10/- existing as on September 30, 2023, March 31, 2023, 2022 and 2021.

3. The number of Equity Shares are considered as on September 30, 2023. As on date of this Prospectus the number of Equity Shares are 90,00,000.

### **Restated Standalone Financials**

(Amount in Lakhs)

Particulars	For the period ended	For the year ended March 31		
	September 30, 2023	2023	2022	2021
Share Capital	77.78	76.71	76.71	76.71
Net Worth	893.37	554.47	250.45	178.09
Revenue (total income)	<b>7,132.90</b>	<b>9,497.54</b>	<b>6,859.37</b>	<b>4,420.34</b>
Profit after Tax	<b>304.48</b>	<b>304.02</b>	<b>72.36</b>	<b>-100.48</b>
Earnings per share Basic and Diluted (*3)	45.24*	39.63	9.43	-13.10
Net Asset Value per Equity Share (in ₹) (*3)	116.06	72.28	32.65	23.22
<b>Total Borrowing</b>				
- Long Term	251.09	341.07	396.43	313.36
- Short Term	757.85	762.82	378.40	321.49

\*Note

1. September 30, 2023 figures are not annualized
2. The NAV is calculated on the basis of face value of each Equity Shares of Rs. 10/- existing as on September 30, 2023, March 31, 2023, 2022 and 2021.
3. The number of Equity Shares are considered as on September 30, 2023. As on date of this Prospectus the number of Equity Shares are 90,00,000.

### **G. QUALIFICATIONS OF AUDITORS**

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

### **H. SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS**

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

(Amount in Lakhs)

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Other Pending Litigations	Amount Involved
Company	By	-	3	-	-	1	74.48
	Against	-	-	-	-	-	-
Director/ Promoter	By	-	-	-	-	1	18.26
	Against	-	-	-	-	-	-
Group Companies/Entities	By	-	-	-	-	-	-
	Against	-	-	-	-	-	-
Promoters Group	By	-	-	-	-	-	-
	Against	-	-	-	-	-	-

For further details, please refer chapter titled "Outstanding Litigations & Material Developments" beginning on page 275 of this Prospectus.

### **I. RISK FACTORS**

For details relating to risk factors, please refer section titled "Risk Factors" beginning on page no. 27 of this Prospectus.

### **J. SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

#### **RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Contingent liabilities in respect of:</b>		
	None	None
<b>Commitments (to the extent not provided for):-</b>		
Guarantee issued to other parties	260.53	
Counter Guarantee given by bankers		
<b>Total</b>	-	-

#### RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023	31st March 2022	31st March 2021
<b>Contingent liabilities in respect of:</b>				
	None	None	None	None
<b>Commitments (to the extent not provided for) :-</b>				
Guarantee issued to other parties	260.53			
Counter Guarantee given by bankers				
<b>Total</b>	-	-	-	-

#### K. SUMMARY OF RELATED PARTY TRANSACTIONS

##### On Consolidated Basis

##### List of Related Parties and Nature of Relationship:

- a. List of related parties & relationships, where control exists.

Nature of Relationship		Name of Related Parties	
	Nature of Relationship	30th September 2023	31st March 2023
1	Key Management Personnel	Mr. Santosh Agrawal (Managing Director)	Mr. Santosh Agrawal (Director)
		Mr. Sunil Agrawal (Whole Time Director)	Mr. Sunil Agrawal (Director)
		Mr. Vineet Agrawal (Whole Time Director)	-----
2	Relatives of Key Management Personnel	-----	-----
3	Enterprises where Significant Influence exist by Key Management Personnel or their Relatives	-----	-----

- b. Transactions with Related Parties

Particulars	30th September 2023	31st March 2023
<b>Mr. Santosh Agrawal</b>		
Remuneration	18.00	30.00
Interest paid	6.52	19.40
Rent paid	27.00	54.00
Loan received	-	59.40
Loan repaid	107.92	81.44
<b>Mr. Sunil Agrawal</b>		
Remuneration	18.00	30.00
Interest paid	0.84	3.48
Loan received	-	23.48

Loan repaid	3.21	40.85
Acquisition of non- current investments	-	-
<b>Mr. Vineet Agrawal</b>		
Remuneration	0.50	-

c. Related Parties Balances:

Particulars	30th September 2023	31st March 2023
<b>Mr. Santosh Agrawal</b>		
Long- term borrowings	137.06	238.47
<b>Mr. Sunil Agrawal</b>		
Long- term borrowings	21.39	23.76

**On Standalone Basis**

a. List of related parties & relationships, where control exists.

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Nature of Relationship		Name of Related Parties			
	Nature of Relationship	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Subsidiary company	M/s Zeacloud Services Private Limited	-----	-----	-----
		-----	-----	-----	-----
2	Key Management Personnel	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)
		Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)
3	Relatives of Key Management Personnel	-----	-----	-----	-----
4	Enterprises where Significant Influence exist by Key Management Personnel or their Relatives	M/s Abro Intrade LLP	M/s Zeacloud Services Private Limited  M/s Abro Intrade LLP	M/s Abro Intrade LLP	M/s Abro Intrade LLP

b. Transactions with Related Parties

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>M/s Zeacloud Services Private Limited</b>				
Investments in shares	34.43	-	-	-
Sale	-	252.24	-	-
<b>Mr. Santosh Agrawal</b>				
Remuneration	18.00	30.00	30.00	30.00
Interest paid	6.52	19.40	15.20	4.85

Rent paid	27.00	54.00	54.00	54.00
Loan received	-	40.00	110.00	140.00
Loan repaid	107.92	75.00	44.48	-

<b>Mr. Sunil Agrawal</b>				
Remuneration	18.00	30.00	30.00	30.00
Interest paid	0.84	3.48	3.14	2.55
Loan received	-	23.48	15.00	3.30
Loan repaid	3.21	40.85	15.00	-
Acquisition of non- current investments	2.86	-	-	-

<b>M/s Abro Intrade LLP</b>				
Interest paid	-	-	-	2.69
Loan received				
Loan repaid				

c. Related Parties Balances:

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>M/s Zeacloud Services Private Limited</b>				
Non- current Investments	34.43	-	-	-

<b>Mr. Santosh Agrawal</b>				
Long- term borrowings	137.06	238.47	260.50	181.31

<b>Mr. Sunil Agrawal</b>				
Long- term borrowings	21.39	23.76	41.13	38.30

**L. FINANCING ARRANGEMENTS**

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

**M. WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR**

Name of the Promoter	No. of Shares held*	Average cost of Acquisition (in ₹)
Mr. Santosh Kumar Agrawal	38,51,000	0.00
Mr. Sunil Kumar Agrawal	28,19,823	0.10
Mr. Vineet Agrawal	88,473	29.18

\* Only the shares acquired are considered, acquired through Swap of Shares and Bonus Issue.

**N. AVERAGE COST OF ACQUISITION**

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

Name of the Promoter	No. of Shares held*	Average cost of Acquisition (in ₹)
Mr. Santosh Kumar Agrawal	42,36,100	0.91
Mr. Sunil Kumar Agrawal	31,00,823	0.99

Mr. Vineet Agrawal	88,473	29.18
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\* Only the shares acquired are considered.

#### **O. DETAILS OF PRE-ISSUE PLACEMENT**

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

#### **P. ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has not issued shares for consideration other than cash during last one year except the following:

Date of allotment	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment
September 05, 2023	10,723	10	321.00	Other than Cash	Private Placement (Swap of Shares)
November 17, 2023	77,78,230	10	Nil	Other than Cash	Bonus Issue

For more details, refer –Capital Structure on page number 61 of this Prospectus.

#### **Q. SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

The Company has not consolidated its equity shares in the last one (1) year.

#### **R. EXEMPTION FROM COMPLYING SECURITIES LAWS**

No, our company has not been granted any such exemption.

*This space has been left blank intentionally*



### SECTION III- RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page numbers 112 and 263, respectively, of this Prospectus as well as the other financial and statistical information contained in this Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled “Financial Information, as Restated” beginning on page number 186 of this Prospectus.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in the Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

*This Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Prospectus. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

#### **Materiality**

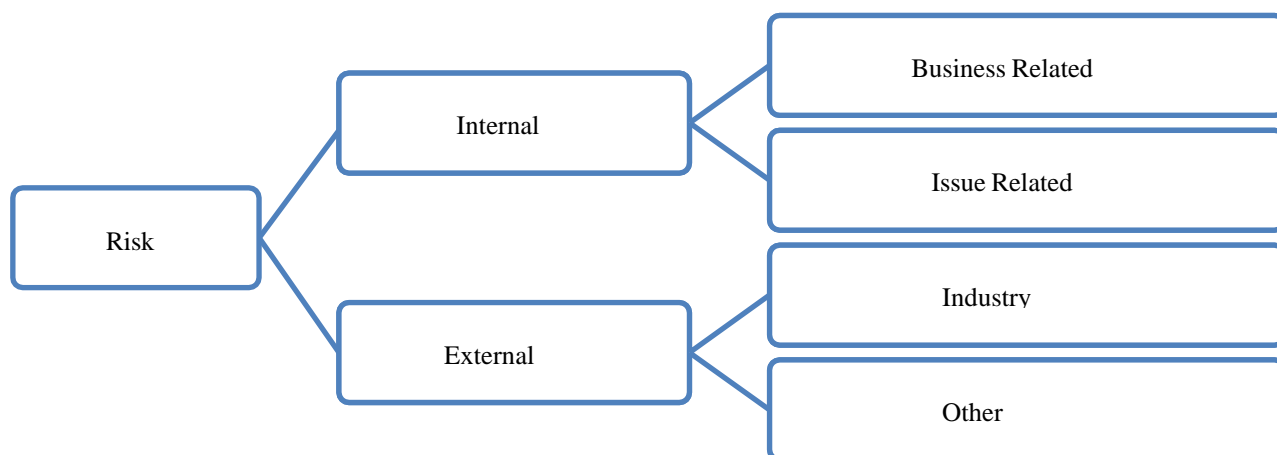
*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

*Some events may not be material individually but may be material when considered collectively.*

*Some events may have an impact which is qualitative though not quantitative.*

*Some events may not be material at present but may have a material impact in the future.*

#### **Classification of Risk Factors**



*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.*

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

## INTERNAL RISK FACTORS

- Our Company has given commitments of ₹ 260.53 Lakhs on September 30, 2023 in respect to the assignments undertaken from the clients. We cannot assure that there will be no default on our part in the future.***

Our Company is registered on the Government e-Marketplace portal and actively engages in diverse tender processes, all of which requires a specified percentage of the contract value to be provided either as a Performance Bank Guarantee (PBG) or as Earnest Money Deposit (EMD) to ensure the commitment to contract completion. The company predominantly selects Performance Bank Guarantee in tender submissions due to the established limit sanctioned by company's banking partners for issuing bank guarantees. As per the Restated standalone audited financial statement as on September 30, 2023, the company has provided commitments through bank guarantee to our clients for a sum of ₹ 260.53 lakhs in respect to the assignments taken by the company.

This would mean that the company would have to pay off the compensation, which would impact company's cash flows and financial position.

If any default commits by our company, it may affect its business. Additionally, this could lead to a deterioration in company's relationship with the banks extending the loan to the company, making it harder for our company to secure loans in the future. This could, in turn, impact company's ability to raise capital and grow company's business in the long run.

- Our lenders have charged over our movable properties and book debts in respect of finance availed by us.***

We have provided security in respect of cash credit facilities and bank guarantees availed by us for ₹ 1,250.00 Lakh from the bank by creating a charge over present and future Equipment and Machinery, Inventories, Inventories Receivables, Book debts and on Fixed Deposit of the company. The total amount outstanding and payable by our company as cash credit are ₹ 65.97 lakhs as on September 30, 2023. In the event of default in repayment of the loans / facilities availed by company and any interest thereof, the properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details of secured loans of our Company, please refer the chapter titled Financial Statements on page 233 of this Prospectus.

- Our top five clients contribute approximately 41.35 %, 37.93% and 32.91% of our revenues from operations for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top five clients are responsible for a significant portion of our revenue, contributing approximately 41.35 %, 37.93% and 32.91% of our revenues from operations for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. While this concentration poses risks, such as potential adverse effects from declining quality standards, increased competition, or changes in customer demand, we acknowledge the dynamic nature of our client base.

As we continuously strive to attract new clients as part of our regular business activities, the composition and revenue distribution from these clients may evolve over time. We remain committed to retaining our valued customers by proactively addressing their specific needs in a cost-effective and timely manner. By doing so, we aim to enhance the value we offer to each client, fostering stronger relationships and presenting significant growth opportunities for our business. For further details, please refer page 142 of the Prospectus.

Please read the below mentioned table for ascertaining the dependency of our company on few customers:

(Amount in Lakh)

Financial Year 22-23			
S.No	Name of the Customer	Amount Received	% of the amount in terms of Revenue generated from operations in the relevant year *
1.	National Informatics Centre Services	1,480.68	15.64%
2.	Acceleron Labs Pvt Ltd	723.55	7.64%
3.	National Informatics Centre	596.68	6.30%
4.	ANG India Ltd	595.67	6.29%
5.	SMS India Private Limited	517.67	5.47%
	<b>Total</b>	<b>3,914.25</b>	<b>41.34%</b>

\*% being derived from the Total Revenue generated from operations on Standalone basis.

(Amount in Lakh)

S.No	Name of the Customer	Amount Received	% of the amount in terms of Revenue generated from operations in the relevant year *
<b>Financial Year 21-22</b>			
1.	DA Tech Systems LLP	677.56	9.88%
2.	ANG India LTD	675.73	9.86%
3.	National Informatics Centre	480.75	7.01%
4.	National Informatics Centre Services	387.12	5.65%
5.	Dhani Loans & Services Ltd	379.65	5.54%
	<b>Total</b>	<b>2,600.81</b>	<b>37.94%</b>

\*% being derived from the Total Revenue generated from operations on Standalone basis.

(Amount in Lakh)

S.No	Name of the Customer	Amount Received	% of the amount in terms of Revenue generated from operations in the relevant year *
<b>Financial Year 20-21</b>			
1.	National Informatics Centre	643.56	14.59%
2.	National Informatics Centre Services	262.26	5.94%
3.	ISC Softwares Pvt Ltd	236.45	5.36%
4.	SMS India Private Limited	165.15	3.74%
5.	ANG India LTD	144.63	3.28%
	<b>Total</b>	<b>1,452.05</b>	<b>32.91%</b>

\*% being derived from the Total Revenue generated from operations on Standalone basis.

4. A significant portion of our revenues from operations for the last 3 years is generated from Government Projects. Any loss of business from may adversely affect our revenues and profitability.

Geographical distribution of our revenue bifurcated on page no. 139 of the Prospectus, a significant portion of revenue contributed from Government Sector i.e. 35.75%, 20.58%, 26.49% of our revenues for the year ended March 31, 2023, 2022 and 2021. Such concentration of revenue by the Government may have an adverse effect on drastic change in Taxes and other levies imposed by the Government as well as other financial policies and regulations, Political and deregulation policies could seriously harm business and economic conditions. However, the composition and revenue generated from various states might change as we continue to add new customers in the different parts of India.

<b>Revenue from operations</b>						
<b>Organization</b>	<b>Fiscal 2023*</b>		<b>Fiscal 2022</b>		<b>Fiscal 2021</b>	
	(in ₹)	As a % of revenue from operations	(in ₹)	As a % of revenue from operations	(in ₹)	As a % of revenue from operations
<b>Government</b>	3,384.39	35.75%	1,411.06	20.58%	1,168.90	26.49%
<b>Other than Government</b>	6,081.57	64.25%	5,445.22	79.42%	3,242.99	73.51%
<b>Total</b>	<b>9,465.96</b>	<b>100.00%</b>	<b>6,856.28</b>	<b>100.00%</b>	<b>4,411.89</b>	<b>100.00%</b>

5. We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in some of the previous year(s) as per the Restated Audited Standalone Financial Statements and the same are summarized as under:

(Amount in Lakhs)

Particulars	For the period ended September 30, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Cash Flow from/ (used in) Operating Activities	206.16	-170.65	80.24	-22.13
Cash Flow from/ (used in) Investing Activities	-39.43	-23.21	-147.19	-59.85
Cash Flow from/ (used in) Financing Activities	-175.48	213.73	62.78	-177.98

If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**6. *Our Company has availed ₹ 671.62 Lakh as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our financial condition.***

Our Company has, as per the restated standalone audited financial statement, availed total sum of ₹ 671.62 Lakh unsecured loan from Financial Institutions, Body Corporates and the Promoters which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at unviable terms resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of fund. For further details, please refer to the Note -I.5: Restated Standalone Statement of Short-term Borrowings on page 244 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

**7. *If we are unable to attract new clients or our existing clients do not renew their contract, the growth of our business and cash flows will be adversely affected.***

Our top Five (5) clients contributed approximately 41.35% of our revenue from operations based on Restated Financial Statements for the period ended March 31, 2023. To increase our revenue and cash flows, we must regularly add new clients. If we are unable to generate sufficient sales leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to repeat contracts / new projects to us due to various factors including client's satisfaction with our services, collection of data and information as desired by our clients, our prices and the prices of competing service providers. If we fail to achieve repetitive projects from existing clients or to add new clients, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

**8. *If we are unable to successfully protect our computer systems from security risks, our business could suffer.***

Our customer agreements require us to meet certain security obligations, such as maintaining network security, backing up data, ensuring networks are virus-free, and protecting the credentials of employees who work with our customers. We cannot guarantee that all of these obligations can be fulfilled, and we do not assume any responsibility. Although we implement industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses, and other destructive problems. Parties that are able to circumvent our security measures may misuse confidential information and cause disruption to our operations. Defending against threatening security breaches or mitigating problems caused by such breaches may require the expenditure of significant capital and other resources. There is no assurance that the measures taken will not be circumvented in the future.

**9. *We are engaged in industry of Information Technology which is the fastest evolving industry in the world, (risk of obsolescence in current technology).***

We operate in an environment characterized by rapid technological evolution. The constant innovation and advancement within the IT sector bring about a pervasive risk of obsolescence in the technology. This is particularly evident in the realm of servers, where the pace of development is exceptionally high. As newer and more efficient server technologies emerge, the risk of existing systems becoming obsolete becomes a critical consideration. Staying abreast of the latest developments, regularly upgrading server infrastructure, and embracing cutting-edge technologies are imperative strategies to mitigate the risk of obsolescence and ensure our continued relevance and competitiveness in this ever-evolving IT landscape.

**10. *The property used by the Company for the purpose of its operations is owned by our Promoter. Any termination of the relevant rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.***

Our Registered Office is presently located at D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi – 110020. The said premises where our registered office, corporate office and warehouse are located are not owned by our Company. The premises were taken on lease from our Promoter, Mr. Santosh Kumar Agrawal on a monthly rental basis. The registered office is taken on lease for a period of 11 months commenced from October 1<sup>st</sup>, 2023 to August 31, 2024. Any termination of the relevant rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.

***11. Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.***

As on September 30, 2023, we have entered into related party transactions with our Promoter, Directors and Group Companies. Whilst these related party transactions have been disclosed in our Financial Statements as per AS-18, and we believe that all such transactions have been conducted on an arms-length basis and all the related party transactions are in compliance with Companies Act, 2013, and other applicable laws, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details kindly refer to the chapter titled 'Financial Statements' beginning on page 240 of the Prospectus.

***12. Failure to effectively safeguard our computer systems against security risks could have detrimental consequences for our business.***

Our client contracts require us to comply with certain security obligations, including maintenance of network security, back-up of data, ensuring our network is virus-free and ensuring the credentials of those employees who work with our clients. We cannot assure that we will be able to comply with all these obligations and not incur any liability. Further, while we have implemented industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. A party that is able to circumvent security measures could misappropriate proprietary information and cause interruptions in our operations. We may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. There can be no assurance that any measures implemented will not be circumvented in the future.

***13. If we unable to attract and retain highly skilled IT professionals, we may not have the necessary resources to properly staff projects, and failure to successfully compete for such IT professionals could materially adversely affect our business, financial condition and results of operations.***

Our business depends largely on the contributions of our IT professionals and our ability to retain qualified IT professionals. The competition for highly-skilled IT professionals may require us to increase salaries, and we may be unable to pass on these increased costs to our clients. This would increase our operational costs which may adversely affect our business, results of operations and financial condition.

Our failure to attract, train and retain IT professionals with the qualifications necessary to fulfil the needs of our existing and future customers or to assimilate new IT professionals successfully could materially adversely affect our business, financial condition and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

***14. We require certain registrations and permits to operate our business, and failure to obtain them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

Our Company is not in possession of Fire NOC in respect of our registered office, corporate office and warehouses. Upon cognizance being taken by the appropriate authority, the Company and its officers in default may face penalties and/or prosecution under the extant provisions, which could have an adverse impact on our business, results of operations and cash flows. However, our company has applied for the application for the fire NOC. For details regarding pending approvals, please refer to section titled "Government and Other Approvals" beginning on page 283 of the Prospectus.

***15. We depend on third parties for the supply of raw materials and such third parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition***

Our top five suppliers are responsible for a significant portion of our purchases, contributing approximately 53.15 %, 50.40% and 62.70% of our purchases of raw material for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. We have not entered into long terms agreements with our suppliers; therefore, the success of our business is accordingly significantly dependent on us maintaining good relationships with our suppliers. Raw materials prices are normally based on the quotes we receive from various suppliers. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacturing of our products, could have a material adverse effect on our

business. Further, any discontinuation or a failure of these suppliers to adhere to the delivery schedule or failure to deliver the required quality and quantity could hamper our manufacturing schedule.

The list of suppliers in the given below of the last three F.Y. :-

F.Y. 2022-23			
Sr No.	Name	Amount	% to Total*
1.	Ingram Micro India Pvt Ltd.	2,055.49	27.01%
2.	Rashi Peripherals Ltd.	697.61	9.17%
3.	Redington India Ltd.	559.39	7.35%
4.	Tech Data Advance Solutions (India) Pvt Ltd.	455.01	5.98%
5.	WPG C&C Computers & Peripherals India Pvt Ltd.	277.02	3.64%
	<b>Total</b>	<b>4,044.52</b>	<b>53.15%</b>

\*The % is derived from the Total Purchases done by the Company in the Financial Year 22-23 i.e. ₹ 7,610.30 Lakhs

F.Y. 2021-22			
Sr No.	Name	Amount	% to Total*
1.	Tech Data Advance Solutions (India) Pvt Ltd.	1081.31	19.14%
2.	Ingram Micro India Pvt Ltd.	831.65	14.72%
3.	Rashi Peripherals Ltd.	368.2	6.52%
4.	WPG C&C Computers & Peripherals India Pvt Ltd.	353.9	6.26%
5.	World Peace International Pvt Ltd.	212.6	3.76%
	<b>Total</b>	<b>1766.35</b>	<b>50.40%</b>

\*The % is derived from the Total Purchases done by the Company in the Financial Year 21-22 i.e. ₹ 5,649.44 Lakhs

F.Y. 2020-21			
Sr No.	Name	Amount	% to Total*
1.	Ingram Micro India Pvt Ltd.	910.77	23.98%
2.	Redington India Ltd.	545.93	14.37%
3.	Tech Data Advance Solutions (India) Pvt Ltd.	499.5	13.15%
4.	WPG C&C Computers & Peripherals India Pvt Ltd.	309.42	8.15%
5.	World Peace International Pvt Ltd.	115.87	3.05%
	<b>Total</b>	<b>2,381.49</b>	<b>62.70%</b>

\*The % is derived from the Total Purchases done by the Company in the Financial Year 20-21 i.e. ₹ 3,798.72 Lakh

**16. We might be required to use open-source software in providing services to our clients. There are risks associated with the use of open-source software and may have an adverse effect on our results of operations and financial condition.**

In the course of providing services to our clients, it is possible that our company may need to incorporate open-source software. Additionally, some of our clients might also use open-source software that our products and services must be compatible with. The use of open-source software presents both significant benefits and risks.

When acquiring a commercial closed-source solution for enterprise use, there is a meticulous procedure involved, including requirement analysis, defining acceptance criteria, product evaluation, and consideration of security aspects. However, open-source products might not undergo the same level of evaluation and scrutiny. This could potentially expose us to business and security risks, leading to unforeseen costs and potentially adverse effects on our results of operations and financial condition.

**17. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.**

We have obtained a number of insurance policies in connection with our operations as given in chapter titled “Our Business” on page 149 of the Prospectus. While we believe that these policies are reasonably sufficient to cover the typical risks associated with our business, we cannot guarantee that all claims under these policies will be fully or promptly honoured. It



is possible that certain circumstances may not be adequately covered, as the policies have deductibles, exclusions, and coverage limits.

Furthermore, our insurance coverage is subject to expiration, and we regularly apply for renewals as part of our standard business practice. However, we cannot assure you that these renewals will be granted in a timely manner, at acceptable costs, or even at all.

In the unfortunate event of a loss or damage that is not covered by insurance, exceeds our insurance coverage, or if our insurance claims are rejected, we would be responsible for bearing the costs. Consequently, our Financial Results, Cash Flows, and overall financial condition may be adversely affected.

**18. *There are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with the Registrar of Companies, taxation authorities and other public authorities.***

In the past, there have been some instances of delays in filing statutory forms with the RoC which includes Form CHG-1, Form-AOC-4, Form MGT-14, Form DIR-12, Form PAS-3, GSTR-1 and EPFO returns with the additional fees. Also, we have delayed in filing few of our GST returns, TDS Returns, EPF returns with the concerned offices on several instances and have accordingly been subjected to penalty and charged with interest for delayed deposit of tax on various instances as well.

Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

**19. *Our success depends largely upon the services of our Promoter and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.***

Our success largely depends on the continued services and performance of our Management and other Key Personnels. The loss of service of the Promoter and other Senior Management could seriously impair the ability to continue to manage and expand the Business efficiently. Further, the loss of any of the Senior Management or other Key Personnels may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our Business.

**20. *Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.***

The revenue and expenses of our company in the F.Y 22-23 were ₹ 9,465.96 Lakh and ₹ 9,051.94 Lakh, ₹ 6,856.29 Lakh and ₹ 6,799.20 Lakh in the F.Y 21-22 & ₹4,411.89 Lakh and ₹ 4,525.18 Lakh in the F.Y 21-22. The variability in our revenues and expenses may pose a challenge in accurately predicting and forecasting our financial performance from one period to another. Several External risk factors contribute to this unpredictability, including market dynamics, economic conditions, and the inherent volatility within our industry. Fluctuations in customer demand, competitive pressures, and external factors beyond our control further contribute to the uncertainty in our financial outcomes.

As a result, our financial results may exhibit significant variations, making it challenging for investors and stakeholders to anticipate our performance accurately. This unpredictability introduces a level of risk and can potentially impact investor confidence, leading to fluctuations in our share price. Investors often seek stability and predictability in financial performance, and the inherent uncertainty surrounding our revenues and expenses may create a perception of risk, influencing market sentiment and potentially causing declines in our share price. It underscores the importance of transparent communication, strategic risk management, and adaptability in navigating the dynamic landscape of our business environment.

**21. *Our business is subject to evolving laws regarding privacy, data protection, and other related matters. Many of these laws are subject to change and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise which may harm our business.***

We are subject to Laws and Regulations that involve matters, including privacy and data protection, content, intellectual property, data security, data retention and deletion, protection of personal information, electronic contracts and other communications. The introduction of new products or expansion of our activities may subject us to additional laws and regulations.

These Laws and Regulations are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these Laws and Regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate and may be interpreted and applied inconsistently with our current policies and practices. Proposed

legislation and regulations could also significantly affect our business. Any changes in existing and proposed Laws and Regulations, could be costly to comply with and can delay or impede the development of new products and may also result in increase in our operating costs.

***22. Incorrect or improper implementation or use of our software or inability of our platform to integrate with third-party software or hardware could result in customer dissatisfaction and negatively affect our business, operations, financial results and growth prospects.***

Our software is deployed in a wide variety of complex technology environments, and we believe our future success will depend on our ability to increase sales of our software subscriptions for use in such deployments. Our platform must also integrate with a variety of operating systems, software applications and hardware developed by others. We often assist our customers in achieving successful implementations for large, complex deployments. If we or our customers are unable to implement our software successfully or are unable to do so in a timely manner, or if we are unable to devote the necessary resources to ensure that our solutions interoperate with other software, systems and hardware, customer perceptions of our Company may be impaired, our reputation and brand may suffer and customers may choose not to increase their use of our software.

***23. Disruption of operations at our software development facilities may adversely affect our business, financial condition and results of operations.***

Our software development operations are susceptible to various operational risks that have the potential to disrupt our business and impact our financial performance. These risks encompass a range of factors, including equipment breakdowns, power supply failures, process malfunctions, technology obsolescence, labour disputes, natural disasters, and the outbreak of fires. While historical data indicates that we have not encountered such issues in the past, it is crucial to acknowledge that these risks are inherent and may materialize in the future.

A breakdown or failure of equipment, disruptions in power supply, or technological obsolescence could impede our ability to deliver software solutions efficiently. Labor disputes may arise, leading to workforce interruptions that could affect project timelines. Additionally, the threat of natural disasters and the potential outbreak of fires pose challenges to the continuity of our software development facilities.

Despite our ongoing efforts to implement precautionary measures and robust contingency plans, the occurrence of any of these operational risks could have a significant adverse impact on our business, financial condition, and results of operations. We remain committed to minimizing these risks, but it is imperative to recognize the inherent uncertainties associated with external factors that could disrupt our operations. As we navigate these potential challenges, our focus remains on maintaining the resilience of our software development facilities to safeguard against any operational disruptions.

***24. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Our business is entirely dependent on technology, Modernisation and technology up gradation is essential to reduce costs and increase the output. Our technology intricacies may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology and equipment's in line with the latest technological standards, we may be required to implement new technology or upgrade the equipment 's installed by us. Further, the costs in upgrading our technology and modernizing the equipment 's installed may be significant which could substantially affect our finances and operations.

***25. Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.***

We may also face cyber threats such as: (i) Phishing and Trojans - targeting our customers, wherein fraudsters send unsolicited codes or mails to our customers seeking account sensitive information or to infect custom machines to search and attempt ex-filtration of account sensitive information; (ii) Hacking – wherein attackers seek to hack into our infrastructure with the primary intention of causing reputational damage to us by disrupting services; (iii) Data theft – This can be internal i.e., by someone who has access to data of our Company or external wherein unconnected cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iv) Advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time in the event of a significant decline in the demand for our products, our business, results of operations and financial condition may be materially and adversely affected.

Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

***26. We face strong competition from onshore and offshore IT services companies, and increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could materially adversely affect our business, financial condition and results of operations.***

The market for IT services that we operate in is highly competitive, and we expect competition to persist and intensify. We believe that the principal competitive factors in our markets are reputation and track record, industry expertise, breadth and depth of software products offerings, quality of the software products offered, language, marketing and selling skills, scalability of infrastructure, ability to address customers' timing requirements and price.

We face competition from offshore IT services providers in emerging outsourcing destinations with low wage costs or with a more favourable time zone for US customers as well as competition from large, global consulting and outsourcing firms and in-house IT departments of large corporations. Customers tend to engage multiple IT services providers instead of using an exclusive IT services provider, which could reduce our revenues to the extent that customers obtain services from other competing IT services providers. Customers may prefer IT services providers that have more locations or that are based in countries more cost-competitive or in a more favourable time zone than India.

Our ability to compete successfully also depends in part on a number of factors beyond our control, including the ability of our competitors to recruit and retain highly-skilled IT professionals, the price at which our competitors offer comparable services and our competitors' responsiveness to customer needs. Some of our present and potential competitors may have substantially greater financial, marketing or technical resources. If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer similar services at lower prices than we do without adversely affecting their profit margins. Our current and potential competitors may also be able to respond more quickly to new technologies or processes and changes in customer demands; may be able to devote greater resources towards the development, promotion and sale of their services than we can; and may also make strategic acquisitions or establish cooperative relationships among themselves or with third parties that increase their ability to address the needs of our customers. Buying patterns may change if customers become more price sensitive and accepting of low-cost suppliers. Therefore, we cannot assure you that we will be able to retain our customers while competing against such competitors. Increased competition, our inability to compete successfully, pricing pressures or loss of market share could have a material adverse effect on our business, financial condition and results of operations.

***27. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer "Government and Other Approvals" on page 240 of this Prospectus, respectively.

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

Post this Issue, our Promoters and Promoter Group will collectively own 64.94% of our post issue equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

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

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through the Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the below mentioned table:

Name of the Promoter	No. of Shares held*	Average cost of Acquisition (in ₹)
Mr. Santosh Kumar Agrawal	42,36,100	0.91
Mr. Sunil Kumar Agrawal	31,00,823	0.99
Mr. Vineet Agrawal	88,473	29.18

**30. We have issued Equity Shares during the last one year at a price that may be below the Issue Price.**

During the last one year we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

Date of allotment	No. of Equity Shares allotted	Face Value	Issue Price	Nature of Consideration	Nature of allotment
November 17, 2023	77,78,230	10	Nil	Other than Cash	Bonus Issue
November 30, 2023	4,43,947	10	29.20	Cash	Private Placement

For details of the Allottees, please refer "Capital Structure" on page 61 of this Prospectus

**31. Our Company is involved in certain legal proceeding(s) potential litigations. Any adverse decision in such proceeding(s) may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.**

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A classification of these legal and other proceedings are as follows:

A summary of pending legal proceedings and other material litigations is provided below:

(INR in Lakhs)

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Other Pending Litigations	Amount Involved
Company	By	-	3	-	-	1	74.48
	Against	-	-	-	-	-	-
Director/ Promoter	By	-	-	-	-	1	18.26
	Against	-	-	-	-	-	-
Group Companies/Entities	By	-	-	-	-	-	-
	Against	-	-	-	-	-	-
Promoters Group	By	-	-	-	-	-	-
	Against	-	-	-	-	-	-

**32. Any customer dispute regarding our performance or workmanship may amount in delay or withholding of payment to us.**

Our company is involved in the M/S Esconet Technologies Pvt Ltd v. M/S Unbox Data Centers Pvt Ltd Case No. CT 750/2019, Chief Metropolitan Magistrate, South-East, Saket. In this case, goods were supplied, but the clients refused to pay. As a result, we filed a petition to recover the money under the Negotiable Instrument Act, 1881. For further information about the case, kindly refer page 275 of the Prospectus.

In addition, our company offers our clients auxiliary services in addition to IT enabled services based on their needs. However, there aren't any pertaining to disputes in relation with customers. It is possible that in the future, our services won't meet the needs of our clients. This could cause them to be dissatisfaction and have other negative effects, such as a dispute about our performance or workmanship from the client, which could affect our business.

**33. Our Promoters have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoters can be deemed to be interested to the extent of the Equity shares held by them, or their relatives, dividend entitlements, or loans advances and personal guarantee provided by them for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transaction entered into our Company. For further information, please refer to the chapters titled, “Our Business”, “Our Promoter and Promoter Group” and “Annexure IV Note 3- Related Party Disclosure under Financial Statement of our Company” beginning on pages 112, 179, and 240 respectively.

**34. *There may be potential conflicts of interest if our Promoters or Directors get involved in any business activities that compete with or are in the same line of activity as our business operations.***

At present none of our Promoter are engaged in any other business having object similar to the line of business of our Company. However, there can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**35. *We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, please refer “Dividend Policy” on page 185 of this Prospectus.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**37. *The Price of our Equity Shares may be volatile, or an active trading market may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. S S Corporate Securities Limited is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Maker, please refer to the section titled —General Information – Details of the Market Making Arrangement, for this Issue beginning on page 58.

**38. *The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.***

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 74 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency.

These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

### **ISSUE RELATED RISK**

- 39. *We cannot assure you that our equity shares will be listed on the SME platform of NSE in a timely manner or at all, which may restrict your ability to dispose of the equity shares.***

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through the Prospectus listed on EMERGE platform of NSE in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the EMERGE platform of NSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

- 40. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

- 41. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including

- a. Volatility in the Indian and global capital market;
- b. Company’s results of operations and financial performance;
- c. Performance of Company’s competitors,
- d. Adverse media reports on Company or pertaining to our Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India’s economic and fiscal policies; and
- g. Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Issue Price of our Equity Shares has been determined by book building method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 86 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues; Changes in revenue or earnings estimates or publication of research reports by analysts;



Speculation in the press or investment community;  
General market conditions; and  
Domestic and international economic, legal and regulatory factors unrelated to our performance.

#### **EXTERNAL RISK FACTORS**

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

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

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

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

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include custom duties on imports of raw materials and components, Goods and Service. These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

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

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

***47. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Prospectus.***

While facts and other statistics in the Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various web site data and IBEF that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "**Industry Overview**" beginning on page 95 of this Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

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

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

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

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

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

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

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

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

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

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



## SECTION IV - INTRODUCTION

### THE ISSUE

<b>PRESENT OFFER IN TERMS OF THIS PROSPECTUS</b>	
<b>Offer for Equity Shares*</b> Public Offer of Equity Shares by our Company	Up to 33,60,000 Equity Shares aggregating to ₹ 2,822.40 Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Issue</b>	33,60,000 Equity Shares aggregating to ₹ 2,822.40 Lakhs
<b>of which</b>	
<b>Reserved for the Market Makers</b>	1,76,000 Equity Shares aggregating to ₹ 147.84 Lakhs
<b>Net Offer to the Public</b>	31,84,000 Equity Shares aggregating to ₹ 2,674.56 Lakhs
<b>Out of which</b>	
<b>A. QIB Portion*3</b>	Not more than 15,90,400 Equity Shares aggregating to ₹ 1,335.93 Lakhs
Of which:	
(a) Anchor Investor Portion	Upto 9,53,600 Equity Shares aggregating to ₹ 801.02 Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto 6,36,800 Equity Shares aggregating to ₹ 534.91 Lakhs
Of which:	
i. Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	Upto 31,840 Equity Shares aggregating to ₹ 26.74 Lakhs
ii. Balance of QIB Portion for all QIBs including Mutual Funds	Upto 6,04,960 Equity Shares aggregating to ₹ 508.16 Lakhs
<b>B. Non-Institutional Category*3</b>	Not Less than 4,78,400 Equity Shares aggregating to ₹ 401.85 Lakhs
<b>C. Retail Portion*3</b>	Not Less than 11,15,200 Equity Shares aggregating to ₹ 936.76 Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	90,00,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Offer</b>	1,23,60,000 Equity Shares of face value of ₹10 each
<b>Objects of the Offer/ Use of Offer Proceeds</b>	Please see the chapter titled “Objects of the Issue” on page 74 of this Prospectus for information about the use of Net Proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

**Notes: -**

1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. The issue is being made by our company in terms of Regulation 229 (2) of SEBI (ICDR) Regulation, read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post issued paid-up equity share capital of our company are being offered to the public for subscription.

2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 17, 2023 and by the Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the EGM of our shareholders held on November 20, 2023.

3) \*The allocation in the net issue to the public category shall be made as per the requirements of Regulation 253(1) of SEBI ICDR regulations, as amended from time to time. Our Company in consultation with the BRLMs may allocate as follows-

- Not less than thirty-five per cent. to retail individual investors;
- Not less than fifteen per cent. to non-institutional investors
- Not more than fifty percent. to qualified institutional buyers, five percent. of which shall be allocated to mutual funds: Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category:

Provided further that in addition to five percent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

For further details, please see the section entitled “Issue Structure” or “Issue Procedure” on page 310 or 313 respectively. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations.

## SUMMARY OF OUR FINANCIAL INFORMATION

### RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Annexure I  
(Rs. in Lakhs)

Particulars	Note No.	As at 30th September 2023	As at 31st March 2023
<b>I. Equity and Liabilities</b>			
<u>Shareholders' Funds</u>			
(a) Share capital	I.1	77.78	76.71
(b) Reserve and surplus	I.2	825.19	477.48
(c) Minority Interest		-	34.42
<u>Non- current liabilities</u>			
(a) Long term borrowings	I.3	251.10	341.07
(b) Long term provisions	I.4	31.20	28.83
<u>Current liabilities</u>			
(a) Short term borrowings	I.5	757.85	762.82
(b) Trade payables	I.6		
- Total outstanding dues of micro enterprises and small enterprises, and		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,201.22	1,006.32
(c) Other current liabilities	I.7	66.78	63.13
(d) Short term provisions	I.8	49.34	7.59
<b>Total Equity and Liabilities</b>		<b>4,260.46</b>	<b>2,798.37</b>
<b>II. Assets</b>			
<u>Non- current assets</u>			
(a) Property, plant and equipment and intangible assets	I.9		
- Property, plant and equipment		228.78	223.07
(b) Deferred tax assets (net)	I.10	23.95	22.46
<u>Current assets</u>			
(a) Inventories	I.12	1,366.99	856.96
(b) Trade receivables	I.13	2,527.33	1,146.16
(c) Cash and cash equivalents	I.14	73.14	114.28
(d) Short term loans and advances	I.15	30.36	41.38
(e) Other current assets	I.16	9.91	394.06
<b>Total Assets</b>		<b>4,260.46</b>	<b>2,798.37</b>

\*The above statement should be read with Statement of Notes to the Restated Financial Information.

As per our report of even date

**For Goel Mintri & Associates**  
Chartered Accountants  
Firm registration no. 013211N

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**UDIN: 23520858BGUKRO1293**

**New Delhi, the 30<sup>th</sup> day of November 2023**

**For and on behalf of Board of Directors of**  
**Esconet Technologies Limited**  
**(Formerly known as Esconet Technologies Private Limited)**

**Santosh Kumar Agrawal**  
Managing Director  
DIN No. 00493749

**Sunil Kumar Agrawal**  
Whole Time Director  
DIN: 00493820

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

# **RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

**Annexure II**

**(Rs. in Lakhs)**

<b>Particulars</b>		<b>Note No.</b>	<b>From 01-04-2023 to 30-09-2023</b>	<b>For Year ended 31-03-2023</b>
I	Revenue from operations	II.1	7,141.59	9,659.26
II	Other income	II.2	5.12	31.58
III	<b>Total income (I+II)</b>		<b>7,146.71</b>	<b>9,690.84</b>
IV	<u>Expenses:</u>			
	Purchases		6,137.54	7,735.52
	Changes in inventories of stock- in- trade	II.3	-510.03	-271.45
	Employee benefit expenses	II.4	253.11	525.68
	Finance cost	II.5	80.71	115.40
	Depreciation and amortization	I.9	32.32	92.49
	Other expenses	II.6	742.18	1,028.14
	Total expenses		<b>6,735.83</b>	<b>9,225.78</b>
V	Profit before exceptional items and extra- ordinary items and tax		<b>410.88</b>	<b>465.06</b>
VI	Exceptional Items and extra-ordinary item		-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>		<b>410.88</b>	<b>465.06</b>
	Tax expenses:			
	- Current Tax		107.14	133.60
	- Tax adjustments for earlier year		-	-
	- Deferred Tax		-1.73	13.04
VIII	<b>Total tax expenses</b>		<b>105.41</b>	<b>146.64</b>
IX	<b>Profit/(Loss) After Tax (VII-VIII)</b>		<b>305.47</b>	<b>318.42</b>
X	Transferred to Minority Interest		-	14.42
XI	<b>Profit/(Loss) for the period (VII-VIII)</b>		<b>305.47</b>	<b>304.00</b>
XII	Earnings per Equity Share:	II.6		
	Number of Share			
	(1) Basic (Rs.)		39.73	39.63
	(2) Diluted (Rs.)		39.73	39.63
	*EPS Not Annualised			

\*The above statement should be read with Statement of Notes to the Restated Financial Information.

**As per our report of even date**

**For Goel Mintri & Associates**  
Chartered Accountants  
Firm registration no. 013211N

**For and on behalf of Board of Directors of  
Esconet Technologies Limited  
(Formerly known as Esconet Technologies Private  
Limited)**

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
Managing Director  
DIN No. 00493749

**Sunil Kumar Agrawal**  
Whole Time Director  
DIN: 00493820

**UDIN: 23520858BGUKRO1293**

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

New Delhi, the 30<sup>th</sup> day of November 2023

## RESTATED CONSOLIDATED STATEMENT OF CASH FLOW

(Rs. In Lakhs)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	410.88	465.06
Adjustment For:		
Depreciation & Amortization	32.32	92.49
Loss/(Gain) on Sale of PPE and intangible assets	-4.78	-18.59
Loss/(Gain) on Sale of long term investments	-	-
Foreign exchange fluctuation loss/ (gain)	-	3.05
Interest and other financial costs	80.72	115.40
Interest Income	-0.34	-7.77
Operating profit before working capital changes	518.79	649.65
Adjustments For:		
(Increase)/Decrease in inventories	-510.02	-271.45
(Increase)/Decrease in trade receivable	-1,381.17	253.63
(Increase)/Decrease in short- term loans and advances	11.02	8.42
(Increase)/Decrease in other current assets	350.43	-330.59
Increase/(decrease) in trade payable	1,194.90	-305.73
Increase/(decrease) in other current liabilities	3.65	-8.60
Increase/(decrease) in provisions	2.73	0.89
Cash Generated from operations	190.34	-3.78
Direct tax adjustments	32.04	38.47
<b>Net Cash Flow from Operating Activities (A)</b>	<b>158.30</b>	<b>-42.25</b>
<b>B. Cash Flow From Investing Activities</b>		
(Purchase)/ of Property, plant & equipment	-33.25	-115.86
(Acquisition)/ disposal of subsidiary	9.12	-
Interest income	0.34	7.77
<b>Net Cash flow from Investing Activities</b>	<b>-23.79</b>	<b>-108.09</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds (Repayment) of short term borrowings	-89.97	-55.37
Proceeds (Repayment) of Long term borrowings	-4.97	384.43
Proceeds from issue of share Capital	-	-
Changes in minority interest	-	20.00
Interest and other financial cost	-80.72	-115.40
<b>Net cash generated from/(used in) financing activities</b>	<b>-175.65</b>	<b>233.66</b>
<b>D. Increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>-41.14</b>	<b>83.31</b>
Add: Cash & Cash Equivalent at the beginning of the year	114.28	30.97
<b>E. Cash &amp; Cash Equivalent at the end of the year</b>	<b>73.14</b>	<b>114.28</b>
<u>Components of Cash &amp; Cash Equivalents</u>		
Cash on hand	1.33	1.10
Balances with banks	31.84	53.26
<b>Total cash &amp; cash equivalents</b>	<b>33.17</b>	<b>54.36</b>

Add: Fixed Deposit with banks having original maturity over three months	39.97	59.92
<b>Cash &amp; cash equivalents (Note I.12)</b>	<b>73.14</b>	<b>114.28</b>

As per our report of even date

**For Goel Mintri & Associates**  
Chartered Accountants  
Firm registration no. 013211N

**For and on behalf of Board of Directors of**  
**Esconet Technologies Limited**  
**(Formerly known as Esconet Technologies Private Limited)**

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
Managing Director  
DIN No. 00493749

**Sunil Kumar Agrawal**  
Whole Time Director  
DIN: 00493820

**UDIN: 23520858BGUKRO1293**

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

**New Delhi, the 30<sup>th</sup> day of November, 2023**

# **RESTATED STATEMENT OF ASSETS AND LIABILITIES**

**Annexure I**

**(Rs. in Lakhs)**

Particulars	Note No.	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>I. Equity and Liabilities</b>					
<u>Shareholders' Funds</u>					
(a) Share capital	I.1	77.78	76.71	76.71	76.71
(b) Reserve and surplus	I.2	815.59	477.76	173.74	101.38
<u>Non- current liabilities</u>					
(a) Long term borrowings	I.3	251.09	341.07	396.43	313.36
(b) Long term provisions	I.4	31.20	28.83	30.11	30.43
<u>Current liabilities</u>					
(a) Short term borrowings	I.5	757.85	762.82	378.40	321.49
(b) Trade payables	I.6				
- Total outstanding dues of micro enterprises and small enterprises, and		-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,200.77	1,004.63	1,455.22	875.67
(c) Other current liabilities	I.7	62.66	62.18	71.74	24.42
(d) Short term provisions	I.8	55.73	7.59	5.41	4.94
<b>Total Equity and Liabilities</b>		<b>4,252.67</b>	<b>2,761.59</b>	<b>2,587.76</b>	<b>1,748.40</b>
<b>II Assets</b>					
<u>Non- current assets</u>					
(a) Property, plant and equipment and intangible assets	I.9				
- Property, plant and equipment		168.49	154.23	181.10	92.31
(b) Deferred tax assets (net)	I.10	24.69	22.86	35.51	23.31
(c) Non- current investments	I.11	34.43	-	-	8.18
<u>Current assets</u>					
(a) Inventories	I.12	1,366.99	856.96	585.51	586.23
(b) Trade receivables	I.13	2,575.84	1,258.74	1,546.27	865.31
(c) Cash and cash equivalents	I.14	42.08	50.83	30.97	35.14
(d) Short term loans and advances	I.15	30.24	41.33	49.75	38.11
(e) Other current assets	I.16	9.91	376.64	158.65	99.81
<b>Total Assets</b>		<b>4,252.67</b>	<b>2,761.59</b>	<b>2,587.76</b>	<b>1,748.40</b>

The above statements should be read with the Significant accounting policies and notes on Restated Standalone Financial Information appearing in Annexure IV.

As per our report of even date attached



For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
**Managing Director**  
**DIN: 00493749**

**Sunil Kumar Agrawal**  
**Director**  
**DIN: 00493820**

**UDIN: 23520858BGUKQQ3717**

**Himanshu Purohit**  
**Chief Financial Officer**  
**PAN: CBNPP3762J**

**Rajnish Pandey**  
**Company Secretary**  
**PAN: DCQPP6580K**

**New Delhi, 21<sup>st</sup> day of November, 2023**

# RESTATED STATEMENT OF PROFIT AND LOSS

Annexure II

(Rs. in Lakhs)

	Note No.	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
I Revenue from operations	II.1	7,127.78	9,465.96	6,856.29	4,411.89
II Other income	II.2	5.12	31.58	3.08	8.45
III <b>Total income (I+II)</b>		<b>7,132.90</b>	<b>9,497.54</b>	<b>6,859.37</b>	<b>4,420.34</b>
IV <u>Expenses:</u>					
Purchases		6,133.80	7,610.30	5,649.44	3,798.72
Changes in inventories of stock- in- trade	II.3	-510.03	-271.45	0.72	-140.28
Employee benefit expenses	II.4	250.03	510.43	453.30	412.95
Finance cost	II.5	80.54	115.33	77.21	72.35
Depreciation and amortization	I.9	30.29	76.44	64.98	43.97
Other expenses	II.6	738.77	1,010.89	553.55	337.47
Total expenses		<b>6,723.40</b>	<b>9,051.94</b>	<b>6,799.20</b>	<b>4,525.18</b>
V Profit before exceptional items and extra-ordinary items and tax		<b>409.50</b>	<b>445.60</b>	<b>60.17</b>	<b>-104.84</b>
VI Exceptional Items and extra ordinary item		-	-	-	-
VII <b>Profit/(Loss) before Tax (V-VI)</b>		<b>409.50</b>	<b>445.60</b>	<b>60.17</b>	<b>-104.84</b>
Tax expenses:					
- Current Tax		106.84	128.94	-	-
- Tax adjustments for earlier year		-	-	-	-
- Deferred Tax		-1.82	12.64	-12.19	-4.36
VIII Total tax expenses		<b>105.02</b>	<b>141.58</b>	<b>-12.19</b>	<b>-4.36</b>
IX <b>Profit/(Loss) for the period (VII-VIII)</b>		<b>304.48</b>	<b>304.02</b>	<b>72.36</b>	<b>-100.48</b>
X Earnings per Equity Share:	II.6				
Number of Share					
(1) Basic (Rs.)		39.73*	39.63	9.43	-13.10
(2) Diluted (Rs.)		39.73*	39.63	9.43	-13.10
*EPS Not Annualised					

The above statements should be read with the Significant accounting policies and notes on Restated Standalone Financial Informations appearing in Annexure IV.

For **Goel Mintri & Associates**  
Chartered Accountants  
Firm Regn No.: 013211N

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
Partner  
Membership No.: 520858

**Santosh Kumar Agrawal**  
Managing Director  
DIN: 00493749

**Sunil Kumar Agrawal**  
Director  
DIN: 00493820

UDIN: 23520858BGUKQQ3717

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

New Delhi, 21<sup>st</sup> day of November, 2023

## RESTATED STATEMENT OF CASH FLOWS

**Annexure –III**  
**(Rs. In Lacs)**

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
<b>A. Cash Flow from Operating Activities</b>				
Profit Before Tax	409.50	445.60	60.17	-104.84
Adjustment For:				
Depreciation & Amortization	30.29	76.44	64.98	43.97
Loss/(Gain) on Sale of PPE and intangible assets	-4.78	-18.59	-1.90	10.05
Loss/(Gain) on Sale of long term investments	-	-	4.67	-
Foreign exchange fluctuation loss/ (gain)	-	3.05	-0.00	-1.76
Interest and other financial costs	80.54	115.33	77.21	72.34
Interest Income	-0.34	-7.76	-1.18	-6.69
Operating profit before working capital changes	515.20	614.06	203.95	13.08
Adjustments For:				
(Increase)/Decrease in inventories	-510.03	-271.46	0.72	-140.28
(Increase)/Decrease in trade receivable	-1,317.10	287.53	-680.97	-22.55
(Increase)/Decrease in short- term loans and advances	11.09	8.42	-11.65	-23.15
(Increase)/Decrease in other current assets	339.83	-319.94	21.01	-31.17
Increase/(decrease) in trade payable	1,196.13	-453.64	579.55	201.27
Increase/(decrease) in other current liabilities	0.46	-9.55	47.32	-43.80
Increase/(decrease) in provisions	2.73	0.90	0.15	3.53
Cash Generated from operations	238.33	-143.68	160.08	-43.06
Direct tax adjustments	32.17	26.98	79.84	-20.93
<b>Net Cash Flow from Operating Activities (A)</b>	<b>206.16</b>	<b>-170.65</b>	<b>80.24</b>	<b>-22.13</b>
<b>B. Cash Flow From Investing Activities</b>				
(Purchase)/ of Property, plant & equipment	-39.76	-30.98	-151.87	-58.36
(Purchase)/ sale of non- current investments	-	-	3.51	-8.18
Interest income	0.34	7.77	1.18	6.69
<b>Net Cash flow from Investing Activities</b>	<b>-39.43</b>	<b>-23.21</b>	<b>-147.19</b>	<b>-59.85</b>
<b>C. Cash flow from Financing Activities</b>				
Proceeds (Repayment) of short term borrowings	-89.97	-55.37	83.07	184.94
Proceeds (Repayment) of Long term borrowings	-4.97	384.43	56.91	-290.58
Proceeds from issue of share Capital	-	-	-	-
Interest and other financial cost	-80.54	-115.33	-77.21	-72.34
<b>Net cash generated from/(used in) financing activities</b>	<b>-175.48</b>	<b>213.73</b>	<b>62.78</b>	<b>-177.98</b>
<b>D. Increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>-8.75</b>	<b>19.86</b>	<b>-4.17</b>	<b>-259.97</b>
Add: Cash & Cash Equivalent at the beginning of the year	50.83	30.97	35.14	295.10
<b>E. Cash &amp; Cash Equivalent at the end of the year</b>	<b>42.08</b>	<b>50.83</b>	<b>30.97</b>	<b>35.14</b>
<u>Components of Cash &amp; Cash Equivalents</u>				
Cash on hand	1.11	0.84	4.86	4.38
Balances with banks	1.00	-	0.29	4.81
<b>Total cash &amp; cash equivalents</b>	<b>2.11</b>	<b>0.84</b>	<b>5.15</b>	<b>9.19</b>
Add: Fixed Deposit with banks having original maturity over three months	39.97	49.99	25.82	25.95

<b>Cash &amp; cash equivalents (Note I.12)</b>	<b>42.08</b>	<b>50.83</b>	<b>30.97</b>	<b>35.14</b>
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The above statements should be read with the Significant accounting policies and notes on Restated Standalone Financial Informations appearing in Annexure IV.

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited (formerly known as**  
**Esconet Technologies Private Limited)**

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
**Managing Director**  
**DIN: 00493749**

**Sunil Kumar Agrawal**  
**Director**  
**DIN: 00493820**

**UDIN: 23520858BGUKQQ3717**

**Himanshu Purohit**  
**Chief Financial Officer**  
**PAN: CBNPP3762J**

**Rajnish Pandey**  
**Company Secretary**  
**PAN: DCQPP6580K**

**New Delhi, 21<sup>st</sup> day of November 2023**

## SECTION V- GENERAL INFORMATION

Our Company was originally incorporated on March 30, 2012 as a Private Limited Company as “Esconet Technologies Private Limited” vide Registration No. 233739 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our shareholder in the Extra – Ordinary General Meeting held on August 09, 2023 main objects of the Company was altered and a Fresh Certificate of Incorporation was issued on August 18, 2023 by the Registrar of Companies, Delhi. Subsequently, pursuant to a special resolution passed by the Shareholders at their Extra-Ordinary General Meeting held on August 09, 2023, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to “Esconet Technologies Limited” and a Fresh Certificate of Incorporation consequent to Conversion was issued on September 21, 2023 by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U62099DL2012PLC233739

For further details of change in name, change in object and change in Registered office of our company, please refer to section titled “History and Certain Corporate Matters” beginning on page 157 of this Prospectus.

### Brief Information on Company and Issue

<b>Registered Office</b>	D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi -110020 Tel: +91-11-43494950 Fax: N.A. E-mail: <a href="mailto:corp@esc.co.in">corp@esc.co.in</a> Website: <a href="https://www.esc.co.in/">https://www.esc.co.in/</a>			
<b>Date of Incorporation</b>	March 30, 2012			
<b>CIN</b>	U62099DL2012PLC233739			
<b>Company Category</b>	Company Limited by Shares			
<b>Registrar of Company</b>	Registrar of Company, Delhi & Haryana 4th Floor, IFCI Tower, Nehru Place, New Delhi-110019 Tel No.: 011-26235707 Fax No: N.A Email: <a href="mailto:roc.delhi@mca.gov.in">roc.delhi@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>			
<b>Company Secretary &amp; Compliance Officer</b>	Mr. Rajnish Pandey Address: D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi -110020 Tel: +91 9311881642 E-mail: <a href="mailto:cs@esc.co.in">cs@esc.co.in</a> Website: <a href="https://www.esc.co.in/">https://www.esc.co.in/</a>			
<b>Chief Financial Officer</b>	Mr. Himanshu Purohit Address: D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi -110020 Tel: +91 9311881645 E-mail: <a href="mailto:cfo@esc.co.in">cfo@esc.co.in</a> Website: <a href="https://www.esc.co.in/">https://www.esc.co.in/</a>			
<b>Designated Stock Exchange</b>	National Stock Exchange of India Limited NSE Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>			
<b>Issue Programme</b>	Issue Opens On:	February 16, 2024	Issue Closes On:	February 20, 2024

**Note:** Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted

only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.

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

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <b>Corporate Capital Ventures</b> <small>SEBI Registered Category I Merchant Banker</small>  <b>CORPORATE CAPITALVENTURES PRIVATE LIMITED</b> B-1/E-13, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110044 <b>Tel:</b> +91 11-41824066; <b>Email:</b> <a href="mailto:smeipo@ccvindia.com">smeipo@ccvindia.com</a> <b>Investor Grievances Email id-</b> <a href="mailto:investor@ccvindia.com">investor@ccvindia.com</a> <b>Website:</b> <a href="http://www.ccvindia.com">www.ccvindia.com</a> <b>SEBI Registration:</b> INM000012276 <b>Validity:</b> Permanent <b>Contact Person:</b> Mrs. Harpreet Parashar	 <b>Skyline</b> <small>Towards Excellence</small> <b>Financial Services Pvt. Ltd.</b>  <b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 <b>Tel No.:</b> +91- 11-40450193-97; <b>Fax No.:</b> +91-11-26812683 <b>E-mail:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Investor Grievances Email id-</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com/">http://www.skylinerta.com/</a> <b>SEBI Registration No.:</b> INR000003241 <b>Contact Person:</b> Mr. Anuj Rana
BANKER TO THE ISSUE & SPONSOR BANK	MARKET MAKER AND SYNDICATE MEMBER TO THE ISSUE
 <b>Kotak</b> <small>Kotak Mahindra Bank</small>  <b>KOTAK MAHINDRA BANK LIMITED</b> Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (East). Mumbai – 400 097 Maharashtra, India. <b>Tel:</b> 022-66056588; <b>Email:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Investor Grievances Email id-</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>SEBI Registration:</b> INBI00000927 <b>Contact Person:</b> Mr. Siddhesh Shirodkar, <b>CIN:</b> L65110MH1985PLC038137	<b>S S Corporate Securities Limited</b> <b>Address-:</b> 3rd Floor, D-Block, Ndm -2 Netaji Subash Place, Pitampura Delhi India- 110034 <b>Telephone:</b> 011-47003600 <b>E-mail:</b> <a href="mailto:info@sscoperate.com">info@sscoperate.com</a> <b>Website:</b> <a href="http://www.sscoperate.com">www.sscoperate.com</a> <b>SEBI Registration:</b> INZ000219533 <b>Contact Person:</b> Mr. Harshit Singhal <b>Email:</b> <a href="mailto:harshit@sscoperate.com">harshit@sscoperate.com</a>
STATUTORY AUDITOR OF THE COMPANY	LEGAL ADVISOR TO THE ISSUE
<b>M/s Goel Mintri &amp; Associates</b> Chartered Accountants <b>Firm Registration No.:</b> 013211N <b>Peer Review Regn. No.:</b> 013553 <b>Address:</b> L-76, Ground Floor, Lajpat Nagar- II, New Delhi - 110024 <b>Tel:</b> 011-29813333 <b>Email:</b> <a href="mailto:sanjaygoelca@hotmail.com">sanjaygoelca@hotmail.com</a> <b>Contact Person:</b> CA Gopal Dutt	<b>AdLegus Law Consultants LLP</b> Adv. Anang Kumar Shandilya <b>Enrollment No.</b> D/1675/ 2019 <b>Address:</b> 2nd Floor, Moolchand Towers, I-Block, Sector 22, Noida - 201301 <b>Tel:</b> +91- 7668486499 <b>Email:</b> <a href="mailto:Anang@adlegus.in">Anang@adlegus.in</a> <b>Contact Person:</b> Adv. Anang Kumar Shandilya

#### DETAILS OF BOARD OF DIRECTORS OF OUR COMPANY

S.N o.	Name	DIN	Category	Designation
1.	Santosh Kumar Agrawal	00493749	Executive	Chairman cum Managing Director
2.	Sunil Kumar Agrawal	00493820	Executive	Whole Time Director
3.	Vineet Agrawal	09603245	Executive	Whole Time Director
4.	Mukesh Chand Jain	00101601	Non- Executive	Independent Director
5.	Gaurav Gupta	06954141	Non- Executive	Independent Director
6.	Ashi Jain	10342573	Non- Executive	Independent Director

*For further details of our directors please refer chapter titled “Our Management” beginning on page 163 of this Prospectus.*

*Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer, i.e. Mr. Rajnish Pandey and/or Skyline Financial Services Private limited and/or the lead manager i.e. Corporate CapitalVentures Private Limited, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA, etc.*

*All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs where the Application was submitted by the ASBA Applicants.*

*For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.*

### **SELF-CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link. <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs / mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

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

### **REGISTERED BROKERS**

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

### **REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time.

### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

### **STATEMENT OF RESPONSIBILITY OF THE LEAD MANAGER/ STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Corporate CapitalVentures Private Limited is the sole Lead Manager to this Issue, a statement of inter-se-allocation of responsibilities amongst Lead Managers is not required.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **EXPERT OPINION**

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

1. Our Company has received written consent dated November 21, 2023 from Peer Review Auditor namely, M/s Goel Mintri & Associates, Chartered Accountants, to include its name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated November 21, 2023 from on our restated Standalone financial information; and (ii) its report dated December 09, 2023 on the statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.
2. Our Company has received a written consent dated October 03, 2023 from Mr. Anang Kumar Shandilya, Advocate, having Enrollment number: D/1675/ 2019 to include its name as an expert as defined under Section 2(38) of the Companies Act, 2013, read Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations in this Prospectus as an “expert”, to the extent and in its capacity as an advisor on the Legal Litigations being subsisting by the Company, against the Company, by the Promoters, against the Promoters, by the Directors and against the Directors of the Company.

Aforementioned consents have not been withdrawn as on the date of this Prospectus. However, the term - expert shall not be construed to mean an - expert as defined under the U.S. Securities Act. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

## **DEBENTURE TRUSTEE**

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

## **APPRAISAL AND MONITORING AGENCY**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakh. Since the Issue size is below ₹10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

## **UNDERWRITING AGREEMENT**

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated **February 09, 2024**. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

<b>Name, Address, Telephone, Fax, and Email of the Underwriter</b>	<b>Indicative No. of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (Rs. in Lakh)</b>	<b>% of the Total Issue Size Underwritten</b>
<b>Corporate CapitalVentures Private Limited</b> Address: B-1/E-13, Mohan Cooperative Industrial,	33,60,000	2,822.40	100%



Estate Mathura Road, New Delhi 110044 <b>Tel:</b> +91 11 - 41824066; <b>Email:</b> <a href="mailto:smeipo@ccvindia.com">smeipo@ccvindia.com</a> <b>Investor Grievances Email id:</b> <a href="mailto:investor@ccvindia.com">investor@ccvindia.com</a> <b>Website:</b> <a href="http://www.ccvindia.com">www.ccvindia.com</a> <b>SEBI Registration:</b> INM000012276 <b>Validity:</b> Permanent <b>Contact Person:</b> Mrs. Harpreet Parashar			
<b>Total</b>	<b>33,60,000</b>	<b>2,822.40</b>	<b>100%</b>

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

#### FILING OF OFFER DOCUMENT

The Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and Offer Document shall be filed on the platform of NSE Emerge.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Red Herring Prospectus and Prospectus with the Due Diligence Certificate shall be submitted to SEBI pursuant to Regulation 246(1), and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus and Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Delhi situated at 4 th Floor, IFCI Tower, Nehru Place, New Delhi-110019 at least (3) three working days prior from the date of opening of the Issue.

#### CHANGE IN THE AUDITOR DURING LAST 3 YEAR

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years.

Details of the Auditor	Date of change	Reason
<b>M/s S. Agarwal &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> 123, Vinobapuri, Lajpat Nagar-II, New Delhi - 110024 <b>Tel No.:</b> 011-29830625, 011-29838501 <b>E-mail:</b> sAgrawal11910@gmail.com <b>Firm Reg. No.:</b> 000808N <b>Contact Person:</b> S.N Agrawal	October 03, 2023	Resignation.
<b>M/s Goel Mintri &amp; Associates</b> <b>Chartered Accountants,</b> <b>Address:</b> L-76, Ground Floor, Lajpat Nagar- II, New Delhi - 110024 <b>Tel No.:</b> 011-29813333 <b>E-mail:</b> <a href="mailto:sanjaygoelca@hotmail.com">sanjaygoelca@hotmail.com</a> <b>Firm Reg. No.:</b> 013211N <b>Contact Person:</b> CA Gopal Dutt	October 09, 2023	Appointment in casual vacancy

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public

notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE Emerge on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER**

Our Company and the Lead Manager have entered into a tripartite agreement dated February 09, 2024 with S S Corporate Securities Limited the Market Maker for this Issue, duly registered with NSE Emerge to fulfill the obligations of Market Making:

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

The Market Maker(s) shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point

of time. The Market Making Agreement is available for inspection at our corporate office from 11.00 a.m. to 5.00 p.m. on working days.

9. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non- compliances. Penalties / fines may be imposed by the Exchange on the Market Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/fines/ suspension for any type of misconduct/manipulation/ other irregularities by the Market Makers from time to time.

11. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.
 Additionally, the trading shall take place in TFT sent for first 10 days from commencement of trading.  
 The following spread will be applicable on the SME Exchange Platform.

S. No.	Market Price Slab	Proposed Spread (in % to sale price)
1	Up to 50	9.00%
2	50 to 75	8.00%
3	75-100	6.00%
4	Above 100	5.00%

12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27,2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the issue size and as follows:

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

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

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

## SECTION VI - CAPITAL STRUCTURE

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

#	Particulars	Amount (Rs. in Lakhs)	
		Aggregate nominal value	Aggregate value at Offer Price
A.	<b>Authorised Share Capital</b>		
	1,50,00,000 Equity Shares of ₹ 10/- each (₹ 15,00,00,000 Equity Share Capital)	1,500.00	-
B.	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	90,00,000 Equity Shares of ₹10/- each (₹ 9,00,00,000 Equity Share Capital)	900.00	-
C.	<b>Present Issue in terms of the Prospectus</b>		
	Fresh Offer of 33,60,000 Equity Shares of Face Value ₹10/- each at a Price of ₹ 84 per Equity Share	336.00	2,822.40
	<b>Consisting of:</b>		
	<b>Reservation for Market Maker</b> – 1,76,000 Equity Shares of ₹ 10/- each at a price of ₹ 84 per Equity Share reserved as Market Maker Portion.	17.60	147.84
	<b>Net Issue to the Public</b> – 31,84,000 Equity Shares of ₹ 10/- each at a price of ₹ 84 per Equity Share.	318.40	2,674.56
	<b>Of the Net Issue to the Public</b>		
	<b>1. QIB Portion</b>	15.90	1,335.93
	Of which:		
	(a) Anchor Investor Portion	95.36	801.02
	(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	63.68	534.91
	Of which:		
	(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion)	0.31	26.74
	(ii) Balance of QIB Portion for all QIBs including Mutual Funds	6.04	508.16
	<b>2. Non-Institutional Category</b>	47.84	401.85
	<b>3. Retail Portion</b>	111.52	936.76
D.	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	1,23,60,000 Equity Shares of ₹10/- each		1,236.00
E.	<b>Securities Premium Account</b>		
	Before the Issue		118.586
	After the Issue		2,604.986

The present issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated November 17, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the EGM of our shareholders held on November 20, 2023.

All Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Details of increase in Authorised Share Capital:

Since March 30, 2012, the authorized share capital of our Company has been altered in the manner set forth below:

S. No.	Date	No. of Equity Shares	Face Value (in ₹)	Cumulative No. of Shares	Cumulative Authorised Share Capital (in ₹)	Whether AGM/EGM
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1.	On Inception	10,00,000	10	10,00,000	1,00,00,000	N.A.
2.	September 23, 2023	1,40,00,000	10	1,50,00,000	15,00,00,000	EGM

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

S.No	Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Equity Paid - up Capital (Rs.)	Cumulative Securities premium (Rs. In Lakh)
1.	On Incorporation	17,000	10	10	Cash	Subscription to MOA	17,000	1,70,000	Nil
2.	April 01, 2012	7,50,000	10	10	Other than cash due to takeover of Partnership firm*	Preferential Issue	7,67,000	76,70,000	Nil
3.	March 31, 2012	100	10	10	Cash	Preferential Allotment	7,67,100	76,71,000	Nil
4.	September 05, 2023	10,723	10	321.00	Other than cash**	Private Placement	7,77,823	77,78,230	33.34
5.	November 17, 2023	77,78,230	10	Nil	Other than Cash	Bonus Issue	85,56,053	8,55,60,530	33.34
6.	November 30, 2023	4,43,947	10	29.20	Cash	Private Placement	90,00,000	9,00,00,000	118.586

\*Esconet Technologies Private Limited took over the business of M/S Electro Sales Corporation along with all their assets and liabilities, rights, claims, entitlements and obligations with effect from 01.04.2012 on going concern basis, through the Business Acquisition Agreement dated April 01, 2012.

\*\*Allotment of 10,723 Equity Shares having face value of Rs. 10/- each at an issue price of Rs. 321/- to the existing shareholders of ZeaCloud Services Private Limited in Esconet Technologies Private Limited for acquiring the existing 1,20,000 equity shares of ZeaCloud, held by existing shareholders of it, having face value of Rs. 10/- each at an offer price of Rs. 28.69/- each.

### Notes:

- Initial Subscribers to Memorandum of Association hold 17,000 Equity Shares each of face value of ₹ 10/- fully paid up as per the details given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Santosh Kumar Agrawal	15,000
2.	Sunil Kumar Agrawal	1,000
3.	Abro Intrade Private Limited	1,000
	<b>Total</b>	<b>17,000</b>

- The Company thereafter allotted 7,50,000 Equity shares on April 01, 2012 pursuant to takeover of a Partnership Firm through Business Acquisition Agreement dated April 01, 2012, the details of which is given below:

S.No.	Name of Person	No. of Shares Allotted
1.	Santosh Kumar Agrawal	3,70,000
2.	Sunil Kumar Agrawal	2,80,000
3.	ABRO Intrade Private Limited	1,00,000
	<b>Total</b>	<b>7,50,000</b>

3. The Company thereafter allotted 100 Equity shares through Preferential Allotment on March 31, 2013, the details of which is given below:

S.No.	Name of Person	No. of Shares Allotted
1.	Shilpi Kedia	100
	<b>Total</b>	<b>100</b>

4. The Company thereafter allotted 10,723 Equity shares as Private Placement on September 05, 2023 the details of which is given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Vineet Agrawal	8,043
2.	Amit Gupta	1,787
3.	Sunil Kumar Agrawal	893
	<b>Total</b>	<b>10,723</b>

5. The Company thereafter allotted 77,78,230 Equity shares as Bonus Issue in ratio of 10:1 on November 17, 2023 the details of which is given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Santosh Kumar Agrawal	38,51,000
2.	Sunil Kumar Agrawal	28,18,930
3.	Anil Kumar Agrawal	2,50,000
4.	Sarthak Agrawal	2,50,000
5.	Mamta Agrawal	2,50,000
6.	Savitri Devi	1,00,000
7.	Abha Agrawal	1,60,000
8.	Vineet Agrawal	80,430
9.	Amit Gupta	17,870
	<b>Total</b>	<b>77,78,230</b>

6. The Company thereafter allotted 4,43,947 Equity shares as Private Placement on November 30, 2023 the details of which is given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Mr. Amit Gupta	13,300
2.	Mr. Aman Kapoor	10,000
3.	Mr. Sanjay Kumar Agrawal	15,000
4.	Mr. Ashok Kumar Gupta	6,500
5.	Mr. Neeraj Mehra	6,500
6.	Mrs. Monita Agrawal	6,500
7.	Mr. Sunil Kaushik	3,300
8.	Mr. V A Ganesh	3,300
9.	Ms. Shubhangi Agrawal	3,300
10.	Ms. Pooja Gupta	30,000
11.	Mr. Manish Sharma	1,700
12.	Mr. Sanjeev Srivastava	1,700
13.	Mr. Jagdish Prasad Sharma	1,50,000
14.	Mr. Dinesh Gupta	1,50,000
15.	Ms. Twisha Gupta	7,500
16.	Ms. Tanya Gupta	7,500

17.	Mr. Shivam Gupta	7,500
18.	Unizon Fintech Private Limited	20,347
	<b>Total</b>	<b>4,43,947</b>

### 3. Shareholding of the Promoters of our Company

As on the date of this Prospectus, our Promoters Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal and Mr. Vineet Agrawal holds total 42,36,100, 31,00,823 and 88,473 Equity Shares respectively representing 47.07%, 34.45% and 0.98% of the pre-issue paid up share capital of our Company.

#### Details of build-up of shareholding of the Promoters-

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Name of Transferor / Transferee
<b>Mr. Santosh Kumar Agrawal</b>						
Subscription to MOA	Allotment	15,000	10	10	Cash	N.A.
April 01, 2012	Preferential Issue	3,70,000	10	10	Other than Cash	N.A.
February 10, 2020	Transfer	100	10	10	Cash	Shilpi Kedia
November 30, 2023	Bonus Issue	38,51,000	10	Nil	Other than Cash	N.A.
<b>Total</b>		<b>42,36,100</b>				
<b>Mr. Sunil Kumar Agrawal</b>						
Subscription to MOA	Allotment	1,000	10	10	Cash	N.A.
April 01, 2012	Preferential Issue	2,80,000	10	10	Other than Cash	N.A.
September 05, 2023	Private Placement	893	10	321	Other than Cash	N.A.
November 30, 2023	Bonus Issue	28,18,893	10	Nil	Other than Cash	N.A.
<b>Total</b>		<b>31,00,823</b>				
<b>Mr. Vineet Agrawal</b>						
September 05, 2023	Private Placement	8,043	10	321	Other than Cash	N.A.
November 30, 2023	Bonus Issue	80,430	10	Nil	Other than Cash	N.A.
<b>Total</b>		<b>88,473</b>				

*Note – All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.*



#### 4. Our shareholding Pattern

- a) The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Prospectus

S.No	Category of shareholder	No. of share holder	No. of fully paid-up equity shares held	No. of Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (As a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	9	80,26,196	-	-	80,26,196	89.18%	80,26,196	-	80,26,196	89.18%	-	-	-	-	-	-	80,26,196
(B)	Public	17	9,73,804	-	-	9,73,804	10.82%	9,73,804	-	9,73,804	10.82%	-	-	-	-	-	-	9,73,804
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	26	90,00,000	-	-	90,00,000	100%		-	90,00,000	100%	-	-	-	-	-	-	90,00,000

*\*\*As on the date of this Prospectus 1 Equity Shares holds 1 vote.*

*Note:*

- ☐ *In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011 , dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, all the existing equity shares of the Company will be in dematerialized form at the time of listing of shares.*
- ☐ *PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.*
- ☐ *Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE Emerge before commencement of trading of such Equity Shares.*

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5. As on the date of this Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company
6. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and public before and after the Issue:

Group and public before and after the issue.

S. No.	Name of shareholder	Pre issue		Post issue	
		No. of equity Shares	As a % of Issued Capital	No. of equity Shares	As a % of Issued Capital
Promoters					
1	Santosh Kumar Agrawal	42,36,100	47.07%	42,36,100	34.27%
2	Sunil Kumar Agrawal	31,00,823	34.45%	31,00,823	25.09%
3.	Vineet Agrawal	88,473	0.98%	88,473	0.72%
Total – A		74,25,396	82.50%	74,25,396	60.09%
Promoter Group					
4.	Anil Kumar Agrawal	2,75,000	3.06%	2,75,000	2.22%
5.	Abha Agrawal	1,76,000	1.96%	1,76,000	1.42%
6.	Savitri Devi	1,10,000	1.22%	1,10,000	0.89%
7.	Pooja Gupta	30,000	0.33%	30,000	0.24%
8.	Monita Agrawal	6,500	0.07%	6,500	0.05%
9.	Shubhangi Agrawal	3,300	0.04%	3,300	0.03%
Total – B		6,00,800	6.68%	6,00,800	4.85%
Public					
10.	Existing Shareholders	9,73,804	10.82%	9,73,804	7.88%
11.	IPO	-	-	33,60,000	27.18%
Total-C		9,73,804	10.82%	43,33,804	35.06%
Grand Total (A+B+C)		90,00,000	100.00%	1,23,60,000	100.00%

7. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

Name of the Promoter and Promoter Group	No. of Shares held*	Average cost of Acquisition (in ₹)
Santosh Kumar Agrawal	42,36,100	0.91
Sunil Kumar Agrawal	31,00,823	0.99
Vineet Agrawal	88,473	29.18

\*Only the shares acquired are considered.

## 8. Details of Major Shareholders:

A. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of this Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid up Capital
1.	Santosh Kumar Agrawal	42,36,100	47.07%
2.	Sunil Kumar Agrawal	31,00,823	34.45%
3.	Anil Kumar Agrawal	2,75,000	3.06%
4.	Sarthak Agrawal	2,75,000	3.06%
5.	Mamta Agrawal	2,75,000	3.06%
6.	Savitri Devi	1,10,000	1.22%
7.	Abha Agrawal	1,76,000	1.96%
8.	Jagdish Prasad Sharma	1,50,000	1.67%
9.	Dinesh Gupta	1,50,000	1.67%
	<b>Total</b>	<b>87,47,923</b>	<b>97.22%</b>

B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid up Capital
1.	Santosh Kumar Agrawal	42,36,100	47.07%
2.	Sunil Kumar Agrawal	31,00,823	34.45%
3.	Anil Kumar Agrawal	2,75,000	3.06%
4.	Sarthak Agrawal	2,75,000	3.06%
5.	Mamta Agrawal	2,75,000	3.06%
6.	Savitri Devi	1,10,000	1.22%
7.	Abha Agrawal	1,76,000	1.96%
8.	Jagdish Prasad Sharma	1,50,000	1.67%
9.	Dinesh Gupta	1,50,000	1.67%
	<b>Total</b>	<b>87,47,723</b>	<b>97.22%</b>

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid-up Capital
1.	Santosh Kumar Agrawal	3,85,100	50.20%
2.	Sunil Kumar Agrawal	2,81,000	36.63%
3.	Abro Intrade LLP	1,01,000	13.17%
	<b>Total</b>	<b>7,67,100</b>	<b>100.00%</b>

D. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of this Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid up Capital
1.	Santosh Kumar Agrawal	3,85,100	50.20%
2.	Sunil Kumar Agrawal	2,81,000	36.63%
3.	Abro Intrade LLP	1,01,000	13.17%
	<b>Total</b>	<b>7,67,100</b>	<b>100.00%</b>

9. The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Prospectus.
10. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources since inception.
11. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Prospectus at a price lower than the Issue Price, except as following:

**Bonus issue: 77,78,230 Equity Shares**

Sr. No.	Name of shareholders	No. of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Date of Allotment	Reason for Allotment
1.	Santosh Kumar Agrawal	38,51,000	10	NIL	November 11, 2023	Bonus
2.	Sunil Kumar Agrawal	28,18,930	10	NIL	November 11, 2023	Bonus
3.	Anil Kumar Agrawal	2,50,000	10	NIL	November 11, 2023	Bonus
4.	Sarthak Agrawal	2,50,000	10	NIL	November 11, 2023	Bonus
5.	Mamta Agrawal	2,50,000	10	NIL	November 11, 2023	Bonus
6.	Savitri Devi	1,00,000	10	NIL	November	Bonus

					11, 2023	
7.	Abha Agrawal	1,60,000	10	NIL	November 11, 2023	Bonus
8.	Vineet Agrawal	80,430	10	NIL	November 11, 2023	Bonus
9.	Amit Gupta	17,870	10	NIL	November 11, 2023	Bonus
	<b>Total</b>	<b>77,78,230</b>				

The Company has allotted 4,43,947 Equity shares as Private Placement on November 30, 2023 at an issue price of Rs. 29.20/- details of which is given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Mr. Amit Gupta	13,300
2.	Mr. Aman Kapoor	10,000
3.	Mr. Sanjay Kumar Agrawal	15,000
4.	Mr. Ashok Kumar Gupta	6,500
5.	Mr. Neeraj Mehra	6,500
6.	Mrs. Monita Agrawal	6,500
7.	Mr. Sunil Kaushik	3,300
8.	Mr. V A Ganesh	3,300
9.	Ms. Shubhangi Agrawal	3,300
10.	Ms. Pooja Gupta	30,000
11.	Mr. Manish Sharma	1,700
12.	Mr. Sanjeev Srivastava	1,700
13.	Mr. Jagdish Prasad Sharma	1,50,000
14.	Mr. Dinesh Gupta	1,50,000
15.	Ms. Twisha Gupta	7,500
16.	Ms. Tanya Gupta	7,500
17.	Mr. Shivam Gupta	7,500
18.	Unizon Fintech Private Limited	20,347
	<b>Total</b>	<b>4,43,947</b>

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
13. We have **26 (Twenty-Six)** shareholders as on the date of filing of this Prospectus.
14. As on the date of this Prospectus, our Promoter and Promoters Group hold total 80,26,196 Equity Shares representing 89.18% of the pre-issue paid up share capital of our Company.
15. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Prospectus except as following –

Sr. No	Transfer Date	From	To	No. of Equity Shares	Issue Price of Equity Shares
1.	August 08, 2023	Abro Intrade LLP	Anil Kumar Agrawal	25,000	37.25
2.	August 08, 2023	Abro Intrade LLP	Abha Agrawal	16,000	37.25
3.	August 08, 2023	Abro Intrade LLP	Savriti Devi	10,000	37.25

	<b>Total</b>	<b>51,000</b>	
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16. The members of the Promoters Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Prospectus.

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

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post- Issue Capital shall be considered as Promoter's Contribution.

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

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters Contribution of 20.00% of the post issue paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on date of this Prospectus there are no equity shares held by our Promoter and Promoter Group which are under lock in.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

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

**Equity Shares locked-in for three years**

The details of Lock-in Period of existing pre- IPO capital of promoters for 3 years are as follows:

Sr. No.	Category	No. of Shares	Lock-in Period
1.	Santosh Kumar Agrawal	14,27,250	3 Years
2.	Sunil Kumar Agrawal	10,44,750	3 Years
	<b>Total</b>	<b>24,72,000</b>	

### Equity Shares locked-in for one year

The details of Lock-in Period of existing pre- IPO capital of Promoter, Promoter Group or Public are as follows:

Sr. No.	Category	No. of Shares	Lock-in Period
1.	Promoter	49,53,396	1 Year
2.	Promoter Group	6,00,800	1 Year
3.	Public	9,73,804	1 Year
	<b>Total</b>	<b>65,28,000</b>	

Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

### Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

Further, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

However, the Equity Shares held by the Promoters of the Company are not under any Pledge.

### Transferability of Locked in Equity Shares:

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

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
  - The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
17. Our Company, our Promoters, our Directors and the Lead Manager to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
18. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares out of free reserves, at any point of time since Incorporation except the following:

Sr. No.	Name of shareholders	No. of Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Date of Allotment	Reason for Allotment
1.	Santosh Kumar Agrawal	38,51,000	10	Nil	November 17, 2023	Bonus Issue
2.	Sunil Kumar Agrawal	28,18,930	10	Nil	November 17, 2023	Bonus Issue
3.	Anil Kumar Agrawal	2,50,000	10	Nil	November 17, 2023	Bonus Issue
4.	Sarthak Agrawal	2,50,000	10	Nil	November 17, 2023	Bonus Issue

5.	Mamta Agrawal	2,50,000	10	Nil	November 17, 2023	Bonus Issue
6.	Savitri Devi	1,00,000	10	Nil	November 17, 2023	Bonus Issue
7.	Abha Agrawal	1,60,000	10	Nil	November 17, 2023	Bonus Issue
8.	Vineet Agrawal	80,430	10	Nil	November 17, 2023	Bonus Issue
9.	Amit Gupta	17,870	10	Nil	November 17, 2023	Bonus Issue
	<b>Total</b>	<b>77,78,230</b>				

20. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
21. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves
22. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. There are no safety net arrangements for this public Offer.
24. An oversubscription to the extent of 10% of the Net Offer can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment.
25. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
26. All the Equity Shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
27. As per RBI regulations, OCBs are not allowed to participate in this Issue.
28. There is no Buyback, Standby, or similar arrangement by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares issued / offered through this Prospectus.
29. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
30. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
31. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE.
32. The Issue is being made through Book Building Method.
33. Lead Manager to the Issue viz. Corporate Capital Ventures Private Limited and its associates do not hold any Equity Shares of our Company. However, Mr. Jagdish Prasad Sharma who is immediate relative of the one of the directors of Corporate Capital Ventures is holding 150000 equity shares which is 1.67% of the existing capital of the company. Post this issue his % will become 1.21%. Additionally, Unizon Fintech Pvt Ltd is also which is having common director in Corporate Capital Ventures, is holding 20347 shares, 0.23% of the existing capital of the company, and it will reduce to 0.16% of the total issued capital post IPO.
34. Our Company has not raised any bridge loan against the proceeds of this Issue.
35. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.



36. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
37. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this fixed subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
38. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
39. Our Promoters and the members of our Promoter Group will not participate in this Issue.
40. Our Company has not made any public issue since its incorporation.
41. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing of the Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
42. For the details of transactions by our Company with our Promoter Group, Group Companies during the last three Fiscals i.e., 2021, 2022 and 2023 please refer to paragraph titled *-Related Party Transaction* in the chapter titled, *"Financial Information"* beginning on page number 240 of this Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled *-Our Management* beginning on page 177.

## SECTION VII: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

We believe that listing will give more visibility and enhance corporate image of our Company. We also believe that our Company and shareholders will receive the benefits from listing of Equity Shares on the Emerge platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The Issue includes a fresh Issue of 33,60,000 Equity Shares our Company at an Issue Price of ₹ 84 per Equity Share.

#### Fresh Issue

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

(₹ in lakhs)	
Particulars	Amount
Gross Proceeds from the Fresh Issue	2,822.40
Less: Issue related expenses	303.03
<b>Net Proceeds of the Fresh Issue</b>	<b>2,519.37</b>

#### Requirement of Funds

Our Company intends to utilize the Net Fresh Issue Proceeds for the following Objects ("Objects of the Issue"):

- 1) Working capital requirement of our company "Esconet Technologies Limited"
- 2) Investment in Wholly Owned Subsidiary, viz. "Zeacloud Services Private Limited", to fund its capital expenditure expenses.
- 3) General Corporate Expenses.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see "*History and Certain Corporate Matters*" on page 157.

**Utilization of Net Proceeds:** We intend to utilize the proposed net proceeds in the manner set forth below:

(₹ in Lakhs)	
Particulars	Amount
Working capital requirement of our company "Esconet Technologies Limited";	1,600.00
Investment in Wholly Owned Subsidiary, viz. "Zeacloud Services Private Limited", to fund its capital expenditure expenses.	250.00
General Corporate Expenses *	669.37
<b>Total</b>	<b>2,519.37</b>

\* The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

*Since, the entire fund requirement of the objects detailed above are intended to be funded from the Net Proceeds. In view of the above, we confirm that the firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue is not applicable.*

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead managers or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the issue proceeds as stated above, our Company may re-allocate the issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the issue proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; Our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the

Object. In case of variations in the actual utilisation of funds earmarked for the purpose set forth or shortfall in the Net Proceeds or delay in raising funds through the IPO, increased fund requirements for a particular purpose may be financed from our internal accruals and/ or debt financing, as required. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI ICDR Regulations. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part of the Issue Proceed shall be utilized for repayment of any part of outstanding unsecured loan as on date of filing the Prospectus. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page no. 27.

## SCHEDULE OF IMPLEMENTATION OF THE OBJECT AND PROGRESS

Following is the estimated schedule of implementation of the utilisation of Issue Proceeds that we expect to utilize or invest:

S. No	Particulars	Total Estimated Cost	Amount to be funded from the Net Issue Proceeds (₹ in Lakhs)	Amount already deployed (₹ in Lakhs)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Jan 2024 to March 2024)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (April 2024 to June 2024) *	Estimated Utilization of Net Proceeds (₹ in Lakhs) (July 2024 to Sep 2024) *	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Oct 2024 to Dec 2024)
1.	Utilisation of Working Capital*	1600.00	1600.00	-	620.00	330.00	330.00	320.00
2.	Funding of Capital Expenditure Requirement of our Wholly Owned Subsidiary viz. “Zeacloud Services Private Limited” *	250.00	250.00	-	135.00	115.00	-	-

\*Note:

The company intends to use the amount in the relevant quarters as mentioned above. However, the utilization of the issue proceeds may get delayed due to external factors. Therefore, if our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company will deploy the Net issue Proceeds in the subsequent quarters.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Working capital requirement and basis of Estimation:

We propose to utilize ₹ 1600.00 Lakh from the Issue Proceeds to fund working capital requirements of our Company. We fund most of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks. Our company requires additional working capital to fund the future growth requirements of our company.

The company intends to utilize the working capital for a sum of ₹ 1600 lakhs from the net Proceeds in order to fund our long-term working capital requirements. The deployment of Net Proceeds shall be on a need basis over the course of Fiscal 2024, and Fiscal 2025.

(Amt in ‘Lakhs’)

Particulars	As at March 31					
	2021	2022	2023	For the period	2024	2025

				of September , 2023	(Estimated)	(Estimated)
<b>Current Assets</b>						
Inventory	586.23	585.51	856.96	1,366.99	1,608.18	2,969.12
Trade Receivables	865.31	1,546.27	1,258.74	2,575.84	2,755.77	2,334.43
Cash and Cash Equivalents	35.14	30.97	50.83	42.08	41.29	39.56
Short Term Loans and Advances	38.11	49.75	41.33	30.24	40.44	42.41
Other Current Assets	99.81	158.65	376.64	9.91	174.52	209.42
<b>Total Current Assets(A)</b>	<b>1,624.60</b>	<b>2,371.15</b>	<b>2,584.50</b>	<b>4,025.06</b>	<b>4,620.20</b>	<b>5,594.93</b>
<b>Current Liabilities</b>						
Trade Payables	875.67	1,455.22	1,004.63	2,200.77	2,579.70	3,518.95
Other Current Liabilities	24.42	71.74	62.18	62.66	65.53	55.97
Short term Provisions	4.94	5.41	7.59	55.73	22.91	10.21
<b>Total Current Liabilities(B)</b>	<b>905.03</b>	<b>1,532.37</b>	<b>1,074.40</b>	<b>2,319.16</b>	<b>2,668.14</b>	<b>3,585.13</b>
<b>Total Working Capital Requirement(A-B)</b>	<b>719.57</b>	<b>838.78</b>	<b>1,510.10</b>	<b>1,705.90</b>	<b>1,952.06</b>	<b>2,009.80</b>
<b>Funding Pattern</b>						
<b>Short Term Borrowings</b>	<b>321.49</b>	<b>378.40</b>	<b>762.82</b>	<b>757.85</b>	<b>192.05</b>	<b>169.80</b>
<b>Internal Accruals</b>	<b>398.08</b>	<b>460.38</b>	<b>747.28</b>	<b>948.05</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issue Proceeds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>760.00</b>	<b>840.00</b>

**Note-** Pursuant to the certificate dated December 14, 2023, issued by Goel Mintri & Associates, Chartered Accountants.

#### **Detailed rationale for increase in working capital requirement**

##### **The reason for significant increase in working capital gap for Projected Period.**

One of the primary components which leads to the increase in working capital in projected period is 'Inventory'. The company shows good growth in their business historically and continue to expect higher growth in the coming period. As business expands, it needs to stock up higher inventory to meet more demand. Further, the Receivables have also increased marginally in FY24 as company is in expansion stage and expected to offer slightly extended payment terms to customers which leads to increase in overall working capital requirement.

This overall increase in working capital is considered minimal and falls within the ordinary course of the company's business operations.

As of December 31, 2023, the company has successfully attained a turnover of approximately Rs. 9,310.00 Lakhs (unaudited figures). Presently, the company have orders amounting to Rs. 1,168.26 Lakhs in hand, all of which are expected to be fulfilled within the current year. The details of the projects which are to be the source of revenue generation for the company are furnished below:

S. No.	Name	Amount in Lakhs
1.	National Informatics Centre (NIC) (Ministry of Electronics and Information Technology)	490.00
2.	National Informatics Centre Services Incorporated (NICSI) (Ministry of Electronics and Information Technology)	665.00
3.	Indian Institute of Technology Jodhpur	13.26
	<b>Total</b>	<b>1168.26</b>

##### **The reasons for increase in working capital requirement in Half yearly ended September 30, 2023 as compared with FY 23.**

Increase in working capital requirement was fueled by business growth which has led to Increase in sales as this half year, the company have achieved sales of ₹ 7127.78 Lakh. If it continues to grow at same rate we might achieve sales of around ₹14,000 lakhs. Higher sales require higher inventory levels which is supported by the fact our inventory levels have increase by 59.53 %

to ₹ 1,366.99 Lakh from ₹ 856.96 Lakh. This half year was fueled by robust Government sales which accounted for around 34% of total sales, Government sales have long collection period this has led to 2-fold increase in trade receivables from ₹ 1,258.74 Lakh to ₹ 2,575.84 Lakh which leads to increase working capital requirement.

#### The reasons for increase in working capital requirement in FY 23 as compared with FY 22

One of the main reasons for increase in working capital was is increase in sales volume. It increased from ₹ 6,856.29 Lakhs in the F.Y 21-22 to ₹ 9,465.96 Lakhs in the F.Y 22-23. This amounts to an increase of around 38% from previous year. This increase had led to need of a higher level of inventory to be maintained to meet the higher anticipated demand due to this stock in trade has increased from ₹ 585.51 Lakhs in the F.Y 21-22 to ₹ 856.96 Lakhs in the F.Y 22-23. This substantial increase of around 46.36% had led to result in blocking of working capital in stock thereby increasing the working capital requirement. This year share of governmental revenue has increased from 20.58% to 35.75%, Majority of these projects are procured from Government E-market place, and one of the conditions for these projects in need of PBG (Performance Bank guarantee) Of EMD (Earnest money Deposits) this commitment has to be given in the form of Bank Fixed deposits, which has led to blocking of working capital in these deposits & EMD increasing the need of working capital.

#### The reasons for increase in working capital requirement in FY 22 as compared with FY 21

The increase in demand for servers possibly driven by client requirements to enhance data storage, host critical applications, support website hosting, enable seamless collaboration, and implement essential security measures and authentication protocols, has notably contributed to the substantial increase in our company's sales volume. The rationale for increase in revenue in FY22 from FY21 is multifaceted:

- COVID:** The company revenue was badly hit in FY21 due to COVID as the global pandemic disrupted the market, affecting business across various industries, including ours. However, one thing to note here is that this was the temporary downturn in our revenue during this period. After FY21, the company has successfully rebounded in FY22 and have not only recovered from the setbacks experienced in the previous fiscal year but have also achieved the significant revenue growth.
- Competitive Pricing:** Another factor for increase in revenue in FY22 was due to competitive pricing of our company as compared to other players in the market due to which company was able to attract a larger share in the market.
- Increase in Government Orders by Government Entities:** From FY 21 to FY 22 there was a jump in government orders by the government entities which has increased the overall revenue in FY22. For instance, the Revenue generated from National Informatics Centre Services INC was increased from Rs. 262.26 Lakh in F.Y 21 to Rs. 387.12 Lakh in F.Y 22 and the revenue generated from Indian Oil Corporation Ltd. was increased from Rs. 132.30 Lakh in F.Y 22 to Rs. 216.86 Lakh in F.Y 20-21 and the revenue generated from Engineers India Limited was increased from Rs. Nil in F.Y 20-21 to Rs. 158.06 Lakh in the F.Y 21-22.

There was an increase in the revenue generated from top 10 customers for the F.Y 20-21 to F.Y 21-22 from Rs. 2,073.64 Lakh to Rs. 3,475.05 Lakh in proportionate to the total revenue generated in F.Y 20-21 from Rs. 4,411.89 Lakh to Rs. 6,856.29 Lakh in the F.Y 21-22, the details of which are mentioned below:

(Amount in Lakh)

F.Y. 2021-22			
Sr No.	Name	Amount	% to Total*
1.	DA Tech Systems LLP	677.56	9.88%
2.	ANG India Ltd.	675.73	9.86%
3.	National Informatics Centre	480.75	7.01%
4.	National Informatics Centre Services INC	387.12	5.65%
5.	Dhani Loans & Services Ltd.	379.65	5.54%
6.	Indian Oil Corporation Ltd.	216.86	3.16%
7.	Shree Guru Gobind Singh Tricentary University	190.29	2.78%
8.	Engineers India Ltd.	158.06	2.31%
9.	PRO X Infotech Pvt. Ltd.	158.02	2.30%
10.	Merino Consulting Services Ltd.	151.01	2.20%
	<b>Total</b>	<b>3475.05</b>	<b>50.68%</b>

\*The % is derived from the Revenue generated from operations by the Company in the Financial Year 21-22 i.e., ₹ 6,856.29 Lakh.

(Amount in Lakh)

F.Y. 2020-21			
Sr No.	Name	Amount	% to Total*
1.	National Informatics Centre	643.56	14.59%
2.	National Informatics Centre Services INC	262.26	5.94%
3.	ISC Softwares Pvt Ltd.	236.45	5.36%
4.	SMS India Private Ltd.	165.15	3.74%
5.	ANG India Ltd.	144.63	3.28%
6.	Fortune Marketing Pvt Ltd.	137.32	3.11%
7.	Merino Services Ltd.	133.84	3.03%
8.	Indian Oil Corporation Ltd.	132.30	3.00%
9.	Hughes Systique Pvt Ltd	111.13	2.52%
10.	Comprint Computers	107.01	2.43%
	<b>Total</b>	<b>2073.64</b>	<b>47.00%</b>

\*The % is derived from the Revenue generated from operations by the Company in the Financial Year 20-21 i.e., ₹ 4,411.89 Lakh.

#### Assumption of Holding Levels

Provided below are details of the holding levels (days) considered.

Particulars	2021	2022	2023	For period the of September 30, 2023	2024 (Estimated)	2025 (Estimated)
Inventory	58.5	37.8	35.9	72.2	51.1	54.0
Trade Receivables	71.6	64.2	54.1	98.2	72.0	61.0
Trade Payables	87.4	75.3	61.2	104	82.0	64.0
Working Capital Gap	42.7	26.8	28.8	66.3	41.0	51.0

#### Justification for holding period levels.

Particular	Assumptions made and justification
<b>Current Assets</b>	
Inventory	The inventory holding period is maintained in the range of 35.9 days to 58.5 days which meets the requirements of business activities projected for the fiscals 2024 and 2025.
Trade Receivables	Decreasing trend: The decreasing number of days for trade receivables, from 71.6 days in 2021 to 64.2 days in 2022 and further to 54.1 days in 2023, indicates the company's efforts to improve its collection process and credit management. Improved efficiency: The assumption of 72 days in 2024 suggests Esconet Technologies Limited's continued focus on enhancing cash flow by reducing the time taken to collect receivables.
<b>Current Liabilities</b>	
Trade Payables	The decreasing trend in the number of days for trade payables, from 87.4 in 2021 to 75.3 in 2022, 61.2 in 2023, suggests Esconet Technologies Limited is paying slightly early to their suppliers to negotiate better price from them and thereby increasing their own profit margins. Hence, the payable days are decreasing thereby making the increase in requirement of working capital.

## 2. Investment in Wholly Owned Subsidiary Company, Zeacloud Services Private Limited, to fund its Capital Expenditure Expenses

Our Wholly owned Subsidiary, Zeacloud Services Private Limited was incorporated on May 11, 2022 as a Private Limited Company under the provisions of Companies Act, 2013 with the Registrar of Companies, Kanpur. Its Corporate Identification Number is U72900UP2022PTC163967. It has its registered office at A – 9, Sector - 10, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301

Zeacloud is engaged in the business of providing an extensive range of cloud and managed services aimed to meet the varying needs of businesses:

- **Private Cloud Services:** Tailored solutions designed for businesses that require a more customized and secure cloud environment.
- **Public Cloud Services:** Economical and scalable services that offer the flexibility and cost-efficiency that growing businesses need.
- **Backup-as-a-Service (BaaS):** A comprehensive backup solution that ensures data integrity and availability.
- **Disaster-Recovery-as-a-Service (DRaaS):** A resilient recovery service designed to minimize downtime and protect against data loss in emergency scenarios.
- **Managed Services:** An end-to-end service management offering that allows businesses to focus on their core competencies.
- **Desktop-as-a-Service (DaaS):** A service that simplifies IT management by providing desktop solutions over the cloud, offering both flexibility and security.

The main objects of the company are:

1. To carry on the operations to develop, aggregate, distribute, operate, improve, procure, install, move, import, export, consult, all kinds of products and service, represent, advise or otherwise in various areas including internet, e-commerce and Information Technology enabled services, including design, create, develop, maintain and hosting of web site and networks including voice and data.
2. To conceive, develop and design applications and IT Enabled service in the areas of meteorological science, law, medicine, banking, finance, health, human resources, accounting, engineering, customer relationship management, business research, knowledge, management, network management, web design and hosting, that can provide to business and consumers in India and outside India, in the form of IT-enabled services. To develop the corresponding software that will help in providing guidance and assistance to external customers in some or all of these areas. To maintain database and provide consultancy to the customer's business needs.
3. To undertake contracts for protection and security of third party data by maintaining multiple copies of the data at one or more physical location.
4. To establish and operate data and information processing centers including call centers and to render services to customers in India and elsewhere by processing their jobs at these centers.

Our company proposes to allocate ₹250.00 Lakhs towards funding the capital expenditure of our wholly-owned subsidiary, Zeacloud Services Private Limited. The objective is to fortify the subsidiary's infrastructure by acquiring additional hardware and software, aiming to bolster its capacity, elevate security measures, and enhance overall monitoring capabilities. This strategic investment aligns to ensure a professional and robust technological foundation for Zeacloud Services. The proposed funds will be judiciously utilized to procure hardware and advanced software solutions, reinforcing the subsidiary's capabilities and contributing to its operational excellence.

Our company firmly believes that allocating funds for the capital expenditure requirements, specifically towards the establishment of additional hardware and software for infrastructure enhancement, is essential to meet customer demands promptly. This strategic investment not only addresses the immediate needs of our clientele but is also anticipated to significantly contribute to the overall profitability of our company on a consolidated basis. Our management has carefully estimated the total cost for funding this requirement at ₹ 250.00 lakhs, excluding pre-operatives and contingency. This financial commitment reflects our dedication to staying at the forefront of technology, ensuring operational efficiency, and reinforcing our capacity to deliver services in a timely manner.

The allocated funds of ₹250 lakhs for this strategic capital expenditure will be infused through an equity injection. Details are as follows: -

Subsidiary Name	Investment in the form of Equity (Rs in lakh) except Face Value
Zeacloud Services Private Limited	₹ 250.00
Face Value	₹ 10.00
No. of Equity Share	Refer Note 1
Issue Price	Refer Note 1

Note:

1. As of the valuation date on July 31, 2023, the equity shares of Zeacloud Services Private Limited have been appraised at

₹28.69 per share. Consequently, the precise issue price cannot be definitively determined at this juncture. The issue price and number of Equity Shares may vary at the time of allotment of equity shares to our Company while infusing an equity capital of ₹ 250.00 Lakh.

### Current Capacity and Constraints:

Zeacloud is currently facing an infrastructure challenge as its data centers in Noida and Mumbai are rapidly approaching their capacity limits. In Noida, the data center is operating at 392 out of 492 cores, and in Mumbai, it's at 92 out of 102 cores. Additionally, the Data Domain Backup Appliance is nearing full utilization. This situation raises concerns about the company's ability to efficiently manage and safeguard data for existing clients while posing a significant hurdle to accommodating new customers.

Compounding these challenges is the absence of Object Storage, a fundamental component for scalable and flexible data management. The lack of Object Storage not only hampers the current operational efficiency but also limits Zeacloud's capability to seamlessly expand its services to new customers who require immediate and extensive cloud resources. Object Storage is pivotal for handling the diverse storage needs of clients, and addressing this gap is crucial for sustaining and growing the company's cloud offerings.

Furthermore, the constraint on Internet Bandwidth exacerbates the situation. In an era where fast and reliable connectivity is paramount, limited Internet Bandwidth not only impacts the performance of Zeacloud's services but also impedes the rapid onboarding of new customers seeking large-scale cloud solutions. This bottleneck in bandwidth availability is a bottleneck that needs immediate attention to ensure a seamless and competitive cloud service offering.

To navigate these challenges successfully, Zeacloud must consider strategic interventions. This may involve expanding the capacity of existing data centers, investing in additional computing resources, implementing robust Object Storage solutions, and enhancing Internet Bandwidth capabilities. By addressing these limitations comprehensively, Zeacloud not only meet the growing demands of its current clientele but also position itself as a reliable and scalable cloud service provider capable of swiftly accommodating the dynamic needs of new customers seeking immediate and extensive cloud services.

Infrastructure	Noida DC		Mumbai DC	
	Installed Capacity	Unutilized Capacity	Installed Capacity	Unutilized Capacity
Computer Capacity	492 Cores	100 Cores	102 Cores	10 Cores
NVMe Flash Block Storage Usable Capacity (Not Effective Capacity which could be 3x-4x of usable)	158.30 TB	140.30 TB	19 TB	12.60 TB
Data domain Backup Appliance Usable capacity (Not Effective capacity which could be 10x-20x of usable)	33 TB	6 TB	2 TB	0.35 TB
Object Storage	0	0	0	0
Internet Bandwidth	600 Mbps	100 Mbps	200 Mbps	50 Mbps

### Proposed Enhancements:

- **Compute Capacity:** To bolster our immediate customer onboarding capabilities and rectify the existing capacity shortfall, we are strategically incorporating 10 new servers. This proactive measure not only ensures a seamless experience for incoming clients but also fortifies our infrastructure to meet escalating demands with enhanced efficiency and reliability.
- **Storage Solutions:** Our company is embarking on a transformative initiative by integrating 200TB of Object Storage into our infrastructure. This strategic move serves a dual purpose: establishing a secure backup repository and introducing a cutting-edge Object Storage service. This not only fortifies our data backup capabilities but also positions us as a leading provider of advanced and versatile Object Storage solutions for our clientele.
- **Network Infrastructure:** In a proactive upgrade, we are retiring end-of-life Cisco Nexus switches and adopting the latest 25Gbps and 10Gbps models. This strategic move guarantees ongoing software support, while simultaneously



fortifying our network security. This forward-looking enhancement not only ensures the longevity of our infrastructure but also positions us at the forefront of cutting-edge technology for robust and secure operations.

- **Monitoring and Security Software:** Our Company will make a strategic investment in developing in-house Log Management and Analytics, as well as Privilege Access Management software. This forward-thinking initiative is geared towards elevating our overall security posture while concurrently mitigating costs associated with outsourcing these critical services. By bringing these capabilities in-house, we not only enhance our control over security measures but also optimize operational expenditures, marking a pivotal step towards a more resilient and cost-effective security framework.
- **Managed Power Distribution Units:** Our Company will implement managed Power Distribution Units (PDUs) to facilitate remote power management and enable precise customer billing. This strategic deployment not only enhances operational efficiency by allowing seamless remote power control but also ensures accurate and transparent billing for our valued customers. It reflects our commitment to leveraging cutting-edge technology for superior service delivery and cost-effectiveness.

### Financial Implication:

The total investment required for the above enhancements is estimated at **₹ 250.00 lakhs**. This investment is projected to not only expand Zeacloud's capacity but also streamline operations, enhance security, and provide immediate service to potential clients, thereby increasing our revenue potential.

### Conclusion:

The proposed investment is a calculated step towards ensuring the growth of Zeacloud Services in private cloud service providers by proactively expanding Zeacloud's capacity and refining its infrastructure, which results in offering unparalleled service to our clients and attract new business.

### Projections of Investments in equipment's for enhancement of cloud and data storage services/ Orders to be placed: -

S. No	Part	Description	Quantity	Rate (₹)	Amount (₹)
1.	HDR-RM238	HexaData HDR-RM238 Series 2U Rack Server 3.5" Chassis with up to 8 Hard Drives (SAS/SATA), 6 PCIe Slots, 2 CPU 2 x Intel Xeon Gold 6326 @2.9G, 16C/32T, 11.2GT/s, 24M Cache, Turbo, HT (185W) DDR4-3200 12 x 64GB RDIMM, 3200MT/s (768GB RAM) LSI Raid controller Supporting Raid 0,1,5,6,10,50,60 with 1GB Cache 2 x 960GB SSD SATA 6G Hotswappable 2 x Dual 25G E810XXVDA2 Ethernet controller 2 x 10Gb/s BASE-T LAN ports (Intel® X710-AT2) 2 x 1Gb/s LAN ports (Intel® I210-AT) 1 x Dedicated management port Dual, Hot-plug, 800W Power Supply Redundant Trusted Platform Module 5 Years 24/7 4 Hours Response Support	7	7,85,000.00	54,95,000.00
2.	R650xs	PowerEdge R650xs 1U Rack Server 2.5" Chassis with up to 8 Hard Drives (SAS/SATA), 3 PCIe Slots, 2 CPU 2 x Intel Xeon Gold 6326 @2.9G, 16C/32T, 11.2GT/s, 24M Cache, Turbo, HT (185W) DDR4-3200 8 x 64GB RDIMM, 3200MT/s, Dual Rank, 16Gb (512GB RAM) Front PERC H755 Front Load 2 x 480GB SSD SATA Read Intensive 6Gbps 512 2.5in Hot-plug AG Drive Broadcom 57504 Quad Port 10/25GbE,SFP28, OCP NIC 3.0 Broadcom 5720 Dual Port 1Gb On-Board LOM Riser Config 3, 1xOCP 3.0(x16)+ 2x16LP Dual, Hot-plug, Power Supply Fault Tolerant Redundant (1+1), 800W, Mixed Mode,NAF 2 Power Cord - C13, 1.8M, 250V, 10A (India) iDRAC9, Enterprise 15G; Trusted Platform Module 2.0 V3 ProSupport and 4Hr Mission Critical, 60 Months	3	8,11,538.00	24,34,614.00

3.	S5224-ON	Dell EMC S5224F-ON Switch, 24x 25GbE SFP28, 4x 100GbE QSFP28 ports, IO to PSU air, 2x PSU OS10 Enterprise, S5224F-ON 12 x Dell Networking, Cable, SFP28 to SFP28, 25GbE, Passive Copper Twinax Direct Attach Cable, 3 Meter 12 x Dell Networking, Cable, SFP28 to SFP28, 25GbE, Passive Copper Twinax Direct Attach Cable, 5 Meter 4 x Dell Networking Cable, 100GbE, QSFP28 to QSFP28, Passive Copper Direct Attach, 5 Meter 4 x Dell Networking Cable, 100GbE, QSFP28 to QSFP28, Passive Copper Direct Attach, 3 Meter Dell Networking Cable, 100GbE, QSFP28 to QSFP28, Passive Copper Direct Attach, 0.5 Meter 5 Years ProSupport OS10 Enterprise Software Support-Maintenance 5Yr ProSupport & Mission Critical:(7x24) 4-hour Onsite Service	4	7,95,000.00	31,80,000.00
4.	S4128F-ON	Dell EMC Switch S4128F-ON, 1U Rack 28 x 10GbE SFP+, 2 x QSFP28, PSU to IO, 2 PSU OS10 Enterprise, S4128F-ON Dell Networking Cable, 100GbE QSFP28 to QSFP28, Passive Copper Direct Attach Cable, 0.5 Meter 24 x Dell Networking Transceiver SFP+ 5 Years ProSupport OS10 Enterprise Software Support-Maintenance 5Yr ProSupport & Mission Critical:(7x24) 4-hour Onsite Service	2	6,50,000.00	13,00,000.00
5.	S4128T-ON	Dell EMC Switch S4128T-ON, 1U 28 x 10Gbase-T, 2 x QSFP28, IO to PSU, 2 PSU OS10 Enterprise Dell Networking Cable, 100GbE QSFP28 to QSFP28, Passive Copper Direct Attach Cable, 0.5 Meter 5 Years ProSupport OS10 Enterprise Software Support-Maintenance 5Yr ProSupport & Mission Critical:(7x24) 4-hour Onsite Service	2	5,45,000.00	10,90,000.00
6.	C1000-48T-4X-L	Cisco C1000 Layer2 Switch 48x 10/100/1000 Ethernet ports, 4x 10G SFP+ uplinks; 5 Years support	2	1,75,000.00	3,50,000.00
7.	AP8653	Schneider Rack PDU 2G, Metered by Outlet with Switching, ZeroU, 32A, 230V, (21) C13 & (3) C19	8	81,400.00	6,51,200.00
8.	Object Storage	HexaData 2U Server HDR-RM238 Xeon 2 x 12Core, 2.2GHz, 256GB RAM, 4 x 25G NIC RAID Controller with 2GB Flash Cache Redundant Power Supply, IPMI 2.0 Interface OS Disk - 2 x 6G-960GB SSD - RAID-1 Cache Disk - 2 x 6G-6.4TB MU SSD RAID-1 Capacity - 12 x 18TB 7200RPM NL-SAS DISK Scalality Ring 200TB Three Years License	3	21,35,000.00	64,05,000.00
9.	Windows Server	Microsoft Windows Server Standard 2-Core Licenses	64	9,800.00	6,27,200.00
10.	Log Analyser Software	ManageEgnine Log360 Software Subscription for 3 Years	1	12,50,000.00	12,50,000.00
11.	PAM Software	ManageEgnine PAM360 Software Subscription for 3 Years	1	24,00,000.00	24,00,000.00
<b>Total</b>					<b>2,51,83,014.00</b>

The amounts disclosed above are exclusive of applicable taxes and GST. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

The company has taken tentative cost and a quotes from different vendors for the above said objective purpose (Capital expenditure), the vendors are as follows: -

S.No	Name of the Vendor	Validity		Amount quoted (in Rs)	Name of the Concerned Person	Designation
		From	To			
1.	Esconet Technologies	October 31,	January 31,	2,51,83,014*	Mr. Sunil	Chief

	Limited	2023	2024		Kaushik	Operating Officer
2.	Concave IT Solutions LLP	November 22, 2023	February 20, 2024	3,03,56,843*	Mr. Suman Kumar	Deputy General Manager- sales
3.	Progression Infonet Pvt. Ltd.	November 24, 2023	February 22, 2024	3,02,45,391*	Mr. Gaurav Verma	Assistant General Manager- sales
4.	Binary Global Limited	November 25, 2023	February 23, 2024	3,04,51,289*	Mr. Sudhir Kumar	Senior Manager- Sales

\*The amount does not include GST or other taxes as may be applicable.

## 2. GENERAL CORPORATE EXPENSES

Our management, in accordance with the policies of our Board, will deploy ₹ 669.37 Lakhs from Net Proceeds towards the general corporate expenses to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in utilizing the remaining Net Proceeds not exceeding 25% of the amount raised by our Company through this Issue, for general corporate purpose including but not restricted to, meeting operating expenses, branding, promotion, advertisements and meeting exigencies, which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

Further, our management confirms that –

- any issue related expenses shall not be considered as a part of General Corporate Purpose; and
- the amount deployed towards general corporate expense, as mentioned above in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### TO MEET THE EXPENSES OF THE ISSUE

The total expenses of the Issue are estimated to be approximately ₹ 303.03 Lakhs which include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

(₹ in Lakhs)			
Expenses	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Gross Issue Proceeds
Book Running Lead Manager Issue Management Fees	30.00	9.90%	1.06%
Selling and Distribution Fees	119.37	39.39%	4.23%
Underwriting Commission	119.37	39.39%	4.23%
Advertising and marketing expenses	15.00	4.95%	0.53%
Fees payable to Registrar to the Issue	0.50	0.17%	0.02%
Brokerage and selling commission payable to SCSBs, Registered Brokers, RTAs and CDPs, as applicable	0.20	0.07%	0.01%
Processing fees to the SCSBs and to the Sponsor Banks for ASBA Forms procured by Registered Brokers, RTAs or CDPs	0.10	0.03%	0.00%
Printing and distribution of issue stationery	1.00	0.33%	0.04%
Others			
a. Listing fees	0.74	0.24%	0.03%
b. NSE Processing	0.25	0.08%	0.01%
c. Book Building software fees	3.50	1.16%	0.12%
d. Other regulatory expenses	12.00	3.96%	0.43%
e. Fees payable to legal counsel	1.00	0.33%	0.04%
f. Miscellaneous	-	0.00%	0.00%
<b>Total Estimated Issue Expenses</b>	<b>303.03</b>	<b>100.00%</b>	<b>10.74%</b>

*@ please note that the cost mentioned is an estimate quotation as obtained from the respective parties and it may include GST and excludes, interest rate and inflation cost. The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.*

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

1. ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular) - Rs 10/- per application on wherein shares are allotted.
2. Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) - Rs 10/- per application on wherein shares are allotted
3. Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 10/- per application on wherein shares are allotted
4. Sponsor Bank shall be payable processing fees on UPI application processed by them – Rs Nil for first 1,00,000 /- per successful UPI and Rs. 7/- thereafter.
5. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
6. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
7. Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. 8. Offer Expenses other than the listing fees shall be shared among our Company and the Selling Shareholder on a pro rata basis, in proportion to the Equity Shares Allotted.

#### **Appraisal by Appraising Fund:**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### **Shortfall of Funds**

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

#### **Bridge Financing Facilities**

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

#### **Interim Use of Proceeds**

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

#### **Monitoring Utilization of Funds**

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

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

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

### **Variation in Objects**

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

### **Other Confirmations**

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

## BASIS FOR ISSUE PRICE

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue floor Price is ₹ 80.00 /- which is 8.00 times of the face value of Equity Shares and the Issue Cap Price is ₹ 84.00 /- which is 8.40 times of the face value of Equity Shares. Investors should refer to “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 112, 186 and 263 respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- High-end clients.
- Experienced Promoter and management team with strong industry expertise and successful track record
- Experienced Promoters (experience of over 20 years)
- Long term relationship with clients and repeat & diversified business.
- Versatile, Technically Sound and young operation Team, which understands creativity at its excellence.
- Well versed and equipped with advance technology.
- Track record of growth and profitability.

For further details, see “*Risk Factors*” and “*Our Business*” on pages 27 and 112 respectively.

### Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For details, see “*Financial Information*” on page 186. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS), as adjusted for changes in capital

Year ended	Basic EPS/ (in ₹)	Diluted EPS (in ₹)	Weight
FY 2020-21	(13.10)	(13.10)	1
FY 2021-22	9.43	9.43	2
FY 2022-23	39.63	39.63	3
<b>Weighted Average</b>	<b>20.77</b>	<b>20.77</b>	
September 30, 2023	39.74	39.74	
November 17, 2023*	3.57	3.57	
November 30, 2023*	3.57	3.57	

*Note*

1. Basic EPS and Diluted EPS is calculated after considering effect of allotments which was made after September 30, 2023, i.e., Bonus issue of 77,78,230 equity shares allotted on November 17, 2023 and Private placement of 4,43,947 equity shares allotted on November 30, 2023. Hence, issued Equity shares as of November 30th, 2023, is 90,00,000 Shares.

2. The ratios have been computed as under:

Basic and diluted EPS: profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with AS 20.

Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

#### 2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ 80.00 to ₹ 84.00 per Equity Share

Particulars	P/E at the lower end of the price band (no. of times)	P/E at the higher end of the price band (no. of times)
a) P/E ratio based on Basic and Diluted EPS of ₹ 39.63 as	2.02	2.12

Particulars	P/E at the lower end of the price band (no. of times)	P/E at the higher end of the price band (no. of times)
at March 31, 2023		
b) P/E ratio based on Weighted Average EPS of ₹9.43 as at March 31, 2022.	8.48	8.91

### 3. Return on Net Worth (RONW):

Year ended	RoNW (%)	Weight
FY 2020-21	-56.42%	1
FY 2021-22	28.89%	2
FY 2022-23	54.83%	3
<b>Weighted Average</b>	<b>27.64%</b>	
September 30, 2023	33.83%	
November 17, 2023*	33.83%	
November 30, 2023*	30.91%	

\*Return on Net Worth is calculated after considering effect of allotments which was made after September 30, 2023 i.e Bonus issue of 77,78,230 equity shares allotted on November 17, 2023 and Private placement of 4,43,947 equity shares allotted on November 30<sup>th</sup> 2023. Hence, issued Equity shares as of November 30<sup>th</sup>, 2023, is 90,00,000 Shares, assuming that there is no change in Profit after Tax after the Private Placement and Bonus Allotments made on 17<sup>th</sup> November 2023 and 30<sup>th</sup> November 2023.

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax as restated, attributable to the owners of the company}}{\text{Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year}}$$

$$\text{Net worth} = \text{Equity share capital} + \text{Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).}$$

### 4. Net Asset Value\* (NAV) per Equity Share

Particulars	Rs.
As of March 31, 2023	23.22
As of March 31, 2022	32.65
As of March 31, 2021	72.29
<b>NAV post issue:</b>	
September 30, 2023	116.06
November 17, 2023*	10.55
November 30, 2023	11.47
At the lower end of the price band of ₹ 80.00	30.10
At the lower end of the price band of ₹ 84.00	31.19
Issue price per share	84.00

\* NAV is calculated after considering effect of allotments which was made after September 30, 2023, i.e Bonus issue of 77,78,230 equity shares allotted on November 17, 2023, and Private placement of 4,43,947 equity shares allotted on November 30, 2023. Hence, issued Equity shares as of November 30<sup>th</sup>, 2023, is 90,00,000 Shares.

$$\text{Net asset value per equity share} = \frac{\text{Net worth as restated, including share capital and reserves and surplus, as restated at the end of the year}}{\text{No. of equity shares outstanding at the end of the year}}$$

$$\text{Basic earnings per share (Rs.)} = \frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$$

### 5. Comparison of Accounting Ratios with Industry Peers

For Fiscal 2023
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Sr. No.	Name of Company	Face Value (₹)	Total income (₹ in Lakhs)	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	RoNW (%)	NAV per share (₹)
1.	Esconet Technologies Limited	10.00	9,690.84	39.63	39.63	-	55%	72.24
<b>Peer Group</b>								
2.	E2E Networks Limited	10.00	6696.19	6.85	6.77	26.107	20.06%	34.13
3.	Netweb Technologies India Limited	2.00	44,565.00	9.22	9.07	-	68.01%	18.39

Source for E2E Networks Limited: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the filings made with stock exchanges available on [www.nseindia.com](http://www.nseindia.com) for the Financial Year ending March 2023.

Source for Netweb Technologies Limited: Based on the restated financial statements of the Company for year ended F.Y 2023

## 6. Key Performance Indicators

The table below sets forth the details of our Key Performance Indicators that our Company considers have a bearing for arriving at the basis for Offer Price. The Key Performance Indicators set forth below have been approved by our Audit Committee pursuant to the resolution at its meeting dated November 30, 2023. Further, our Audit Committee has on November 30, 2023 taken on record that other than the Key Performance Indicators set out below, our Company has not disclosed any other Key Performance Indicators during the 3 years preceding the date of this Prospectus to its investors.

Additionally, the Key Performance Indicators have been certified by the Statutory Auditors of our Company, Goel Mintri & Associates, pursuant to a certificate dated December 14 2023, who hold a valid certificate issued by the Peer Review Board of the ICAI. The Statutory Auditors certificates dated December 14, 2023, has been included in the section 'Material Contracts and Documents for Inspection' of this Prospectus.

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

The Bidders can refer to the below-mentioned Key Performance Indicators, being a combination of financial and operational Key Performance Indicators, to make an assessment of our Company's performances and make an informed decision.

A list of our Key Performance Indicators for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 is set out below:

Particulars	For the period ended on September 30, 2023	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from Operations	7141.59	9465.95	6856.28	4411.89
Total number of customers served (Nos.)	247	384	432	409
Foreign currency gain / (loss)	4.68	- 3.05	0.0018	1.76
Exports revenue as % of revenue from operations (%)	0.139%	0.32%	0.79%	1.24%
Cost of goods sold as % of revenue from operations (%)	85.19%	82.86%	84.44%	84.30%
EBITDA	523.91	637.37	202.36	11.48
EBITDA margin (%)	7.34%	6.73%	2.95%	0.26%
EBIT	491.59	560.93	137.38	-32.49
ROCE (%)	42.37%	59.11%	20.76%	-8.33%
PAT margin (%)	4.28%	3.21%	1.06%	-2.28%
ROE (%)	42.06%	75.54%	33.77%	(56.42)%
Net working capital days	47.66	28.81	24.51	32.93
Debt to equity ratio (times)	1.12	1.99	3.09	3.56
Fixed asset turnover ratio (times)	0.32	0.016	0.026	0.021



*Notes:*

1. *Gross Margin: Percentage of total revenue from operations for the year less cost of goods sold for the year divided by total revenue from operations for the year. Cost of goods sold is taken as a sum of cost of material consumed and change in inventories of finished goods and work in progress.*
2. *EBITDA is calculated as profit for the year plus tax expense, depreciation and amortisation and finance cost for the year, while EBITDA margin is the percentage of EBITDA divided by total revenue from operations for the year.*
3. *Profit margin is a percentage of Profit for the year divided by total revenue from operations for the year.*
4. *Return on Equity is calculated as Profit for the year divided by average Equity.*
5. *Return on Capital Employed is calculated as earnings before interest and taxes expenses (EBIT) for the year divided by average capital employed. EBIT is calculated as EBITDA for the year less depreciation for the year and capital employed is sum of equity, total borrowings and deferred tax liabilities.*
6. *Total borrowings are current and non-current borrowings plus current and non-current lease liabilities.*
7. *Net Debt is total borrowings reduced by Cash & Cash equivalents.*
8. *Net Debt to equity is calculated as Net Debt divided by equity.*
9. *Net Debt to EBITDA is calculated as Net Debt divided by EBITDA for the year.*
10. *Asset Turnover Ratio: Total revenue from operations for the year divided by Total assets, where total assets is sum of property, plant and equipment (net block), capital work in progress, right of use assets, intangible assets (net block) and intangible assets under development.*

**Explanation for the Key Performance Indicators metrics**

The list of our Key Performance Indicators along with brief explanation of the relevance of the Key Performance Indicators for the business operations of our Company is set out below:

Sr. No.	KPI	Explanation
1.	Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
2.	Gross Profit Margin	Gross Profit Margin is an indicator of the profitability on sale of products manufactured and services sold by the Company.
3.	EBITDA (₹ lakh)	EBITDA provides information regarding the operational profitability of the business.
4.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational efficiency before the depreciation and amortization expenses.
5.	Profit after tax (₹ lakh)	Profit after tax provides information regarding the overall profitability of the business after all the non-tax expenses and tax expenses.
6.	Profit after tax Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
7.	Return on Equity (RoE) (%)	RoE provides how efficiently the Company generates profits from shareholders' funds.
8.	Return on Capital Employed (RoCE) (%)	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
9.	Sale of products (₹ lakh)	Sale from products is critical since it demonstrates our scale of operations, capability to serve customers and successful track record of acquiring and scaling of business operations
10.	Sale of services (₹ lakh)	Sale of services is important to measure the scale at which revenue from services is increasing and successful track record of acquiring and scaling of service operations
11.	Other Operating Revenue (₹ lakh)	To track the incentive available to the Company under various schemes
12.	Cost of Goods Sold (COGS) (₹ lakh)	COGS directly impacts a company's profitability and is the direct cost associated with producing or acquiring the goods by the Company
13.	Total Borrowings (₹ lakh)	Total borrowings provides an insight to the management of the quantum of outside fund that has been utilized in the business operations
14.	Net Debts (₹ lakh)	This metric enables our Company to track the net amount of funds taken by and utilized in the business operations
15.	Net Debt - Equity Ratio (times)	Our Management track the net outside debt vis-à-vis equity employed by them in the business to access the amount of leverage and financial stability
16.	Net Debt – EBITDA Ratio (times)	This indicator provides our Company with a measurement of the number years it will take for the Company to pay back its debt if net debt and EBITDA are

		held constants
17.	Asset Turnover Ratio (times)	The Asset Turnover Ratio provides how efficiently the Company generates revenue from its assets

Our Company shall continue to disclose the Key Performance Indicators disclosed above, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these Key Performance Indicators, during the aforementioned period, will be explained by our Company. The ongoing Key Performance Indicators will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

## 7. Comparison of the Key Performance Indicators with Listed Industry Peers

(Rs.in Lakhs)

Particulars	Esconet Technologies Limited	Netweb Technologies India Limited	E2E Networks Limited
	Financial Year ended March 31, 2023		
Revenue from operations <sup>1</sup>	9465.96	44,497.20	6,620.18
EBITDA <sup>2</sup>	637.37	7,069.30	3,382.23
EBITDA Margin <sup>2</sup>	6.73%	15.89%	51.10%
Profit for the year	304.02	4,693.60	990.99
Profit Margin <sup>3</sup>	3.21%	10.55%	14.97%
Return On Equity (ROE) <sup>4</sup>	75.54%	50.15%	22.56%
Return on Capital Employed (ROCE) <sup>5</sup>	59.11%	62.09%	64.22%
Total borrowings <sup>6</sup>	1103.89	3,560.30	588.79%
Net Debt <sup>7</sup>	1053.06	2,851.10	1567.81
Net Debt - Equity Ratio (in times) <sup>8</sup>	1.90	0.30	0.12
Net Debt – EBITDA (in times) <sup>9</sup>	1.65	0.40	NA
Asset Turnover Ratio (in times) <sup>10</sup>	3.42	17.69	1.59

Notes:

1. Revenue from operations is the total sales of our company.
2. EBITDA is calculated as profit for the year plus tax expense, depreciation and amortisation and finance cost for the year, while EBITDA margin is the percentage of EBITDA divided by total revenue from operations for the year.
3. Profit Margin is a percentage of Profit for the year divided by total revenue from operations for the year.
4. Return on Equity is calculated as Profit for the year divided by average Equity.
5. Return on Capital employed is calculated as earnings before interest and taxes expenses (EBIT) for the year divided by average capital employed. EBIT is calculated as EBITDA for the year less depreciation and amortisation for the year and capital employed is sum of equity, total borrowings and deferred tax liabilities.
6. Total Borrowings is Current and Non-Current borrowings plus current and non-current lease liabilities.
7. Net Debt is Total Borrowings reduced by Cash & Cash Equivalents.
8. Net Debt to Equity is calculated as Net Debt divided by equity.
9. Net Debt to EBITDA is calculated as Net Debt divided by EBITDA for the year.
10. Asset Turnover Ratio: Total revenue from operations for the year divided by Total Assets, where Total assets is sum of Property, Plant and Equipment (Net Block), Capital Work in Progress, Right of Use assets, Intangible assets (Net Block) and Intangible Assets under development.

11. Revenue from operations includes Other operating revenue.

## 8. Weighted average cost of acquisition (WACA), Floor Price and Cap Price

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

Our Company has not issued any Equity Shares (excluding Equity Shares issued pursuant to a bonus issue undertaken on November 17, 2023) or convertible securities or employee stock options (excluding employee stock options granted under the ESOP Plan but not vested) during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted under the ESOP Plan but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price	Nature of Consideration	Nature of Allotment	Total Consideration (₹ in Lakhs)
November 30, 2023	4,43,947	10/-	29.20/-	Cash	Private Placement	1,29,63,253

b. The price per share of our Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, the members of our Promoter Group or the Selling Shareholders are a party to the transaction (excluding gifts)\*, during the 18 months preceding the date of the Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted under the ESOP Plan but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

### No such single Transaction above 5%

Since there are no such single transaction which is above 5% to report to under (b), the following are the details based on the last 5 primary or secondary transactions (secondary transactions where Promoter or the members of our Promoter Group or Selling Shareholders are a party to the transaction), not older than 3 years prior to the date of the Prospectus irrespective of the size of transactions:

Date of Transaction	Name of Transferor	Name of Transferee	No. Equity Shares	Face Value	Transaction on price per Equity Share	Nature of Transaction	Nature of Consideration	Total Consideration (Rs.)
August 28, 2023	Abro Intrade LLP	Anil Kumar Agrawal	25,000	10	37.25	Transfer of Shares	Cash	8,94,000
August 28, 2023	Abro Intrade LLP	Sarthak Agrawal	25,000	10	37.25	Transfer of Shares	Cash	9,31,250
August 28, 2023	Abro Intrade LLP	Mamta Agrawal	25,000	10	37.25	Transfer of Shares	Cash	9,31,250
August 28, 2023	Abro Intrade LLP	Abha Agrawal	16,000	10	37.25	Transfer of Shares	Cash	5,96,000
August 28, 2023	Abro Intrade LLP	Savitri Devi	10,000	10	37.25	Transfer of Shares	Cash	3,72,500
<b>Total</b>								37,62,250
<b>Weighted Average cost of acquisition</b>								37.25

For further details in relation to the share capital history of our Company, see 'Capital Structure' on page 61.

Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and the Cap Price:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in times)*	Cap Price (in times)*
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above	29.20	2.74	2.87
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	37.25	2.15	3.08

*\*To be updated at Prospectus stage.*

## 9. Justification for Basis for the Offer Price

Detailed explanation for Offer Price/Cap Price being 3.08 times of WACA of past 5 primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's Key Performance Indicators and financial ratios for the Fiscals 2023, 2022 and 2021 and for the 6 months period ended September 30, 2023 and in view of the external factors which may have influenced the pricing of the issue, if any.

## 10. The Issue Floor Price is ₹ 80.00 /- which is 8.00 times the face value of Equity Shares and the Issue Cap Price is ₹ 84.00 /- which is 8.40 times the face value of Equity Shares.

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book-building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business" and "Financial Information" on pages 27, 112 and 186 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" and you may lose all or part of your investments.

*This space is left blank intentionally.*

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**The Board of Directors**  
**Esconet Technologies Limited**  
D-147 Okhla Industrial Area Phase 1  
New Delhi, 110020, India

Dear Sirs,

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

We, **Goel Mintri & Associates**, hereby confirm that the enclosed annexure, prepared by **Esconet Technologies Limited** ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') as amended time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

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

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

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

**The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.**

**No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.**

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent. Signed in terms of our separate report of even date.

**Yours faithfully,**  
**For and behalf of M/s. Goel Mintri & Associates.**  
**Chartered Accountants**  
**FRN: 013211N**

**Date- 09.12.2023**  
**Place- New Delhi**  
**UDIN: 23520858BGUKSI7913**

**CA Gopal Dutt**  
**Partner**  
**Membership No. - 520858**

### **Annexure to the statement of possible Tax Benefits**

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

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

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

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

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

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

#### **Notes:**

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

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

Signed in terms of our separate report of even date.

**Yours faithfully,**  
**For and behalf of M/s. Goel Mintri & Associates**  
**Chartered Accountants**  
**FRN: 013211N**

**Date- 09.12.2023**  
**Place- New Delhi**

**CA Gopal Dutt**  
**Partner**  
**Membership No. -520858**

## SECTION VIII – ABOUT US

### INDUSTRY OVERVIEW

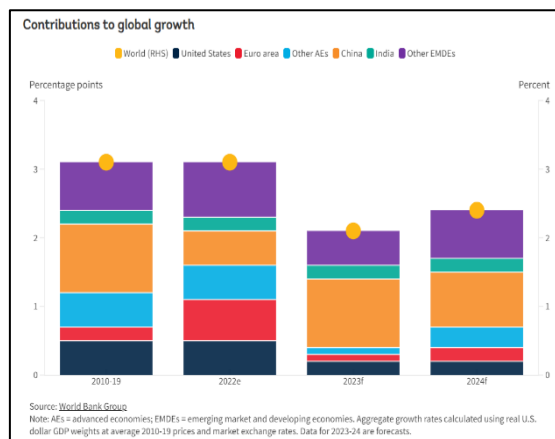
*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL ECONOMIC OUTLOOK IN FIVE CHARTS

The global economy is set to slow substantially in 2023. The lagged and current effects of monetary tightening, as well as more restrictive credit conditions, are expected to weigh on activity in the second half of the year, with weakness persisting into 2024. Excluding China, growth in emerging market and developing economies (EMDEs) is set to decline markedly, with the outlook weakest in countries with elevated fiscal and financial vulnerabilities. The resurgence of recent banking sector turmoil represents a serious risk. Widespread financial stress could have especially severe economic consequences.

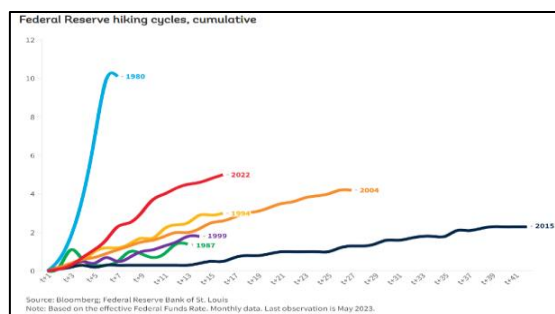
#### 1. Global growth is slowing

The global economy is forecast to slow substantially this year, with a pronounced deceleration in advanced economies. Monetary tightening is expected to have its peak impact this year for many major economies. Global growth is forecast to decline to 2.1 percent in 2023, a full percentage point less than in 2022, before a tepid recovery to 2.4 percent in 2024. In emerging market and developing economies (EMDEs) excluding China, growth is projected to fall to 2.9 percent in 2023, from 4.1 percent in 2022, as tight global financial conditions and subdued external demand weigh on activity. Global growth could weaken more than anticipated in the event of further financial sector stress, or if persistent inflation prompts tighter-than-expected monetary policy.



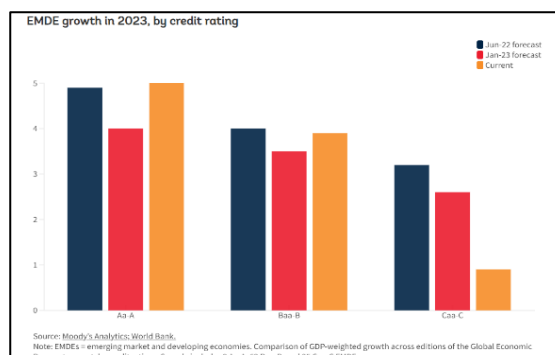
#### 2. Monetary policy will weigh on growth this year and next

The substantial near-term deceleration expected in advanced economies is mainly due to the lagged effects of the sharp rise in policy rates over the past year and a half, aimed at reining in high inflation. Tight monetary policy in the United States, in particular, can adversely affect EMDEs in several ways. It slows the U.S. economy, which reduces demand for EMDE exports, and tends to lead to higher interest rates in EMDEs.



#### 3. Restrictive financial conditions pose severe challenges for vulnerable EMDEs

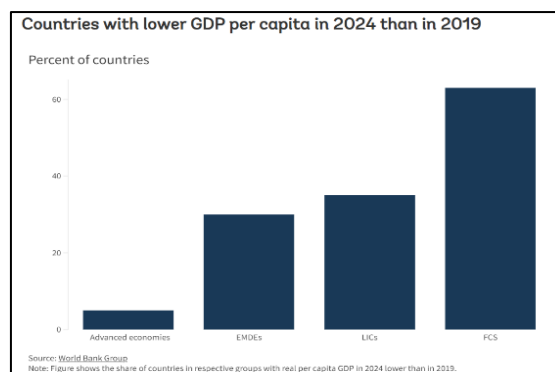
The majority of EMDEs have so far withstood global monetary tightening with limited financial stress. However, in EMDEs with pronounced vulnerabilities (as reflected by low credit ratings) sovereign risk spreads have widened sharply, domestic currencies have depreciated, and already-limited fiscal space has dwindled further. Growth projections for these economies have been revised markedly lower, to less than 1 percent in 2023.





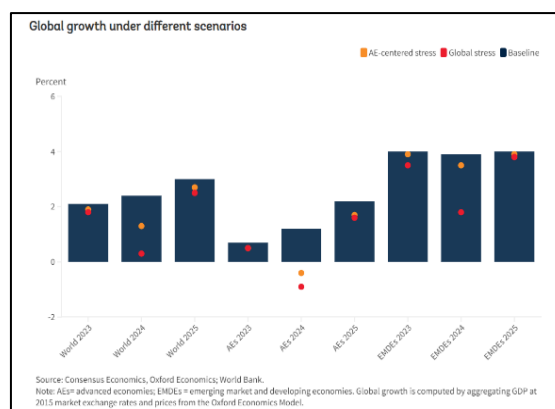
#### 4. The pandemic recovery remains weak

In per capita terms, the latest forecasts suggest a weak recovery from the overlapping shocks of the past three years. Nearly a third of EMDEs, including two-thirds of countries in fragile and conflict-affected situations, are expected to have lower per capita incomes in 2024 than they did in 2019. Fragility continues to aggravate humanitarian crises, entrenching extreme poverty.



#### 5. Further episodes of financial stress are a serious risk to the global economy

Several large banks in advanced economies have failed this year. More—and more disorderly—bank failures represent a key risk. The negative effects would be greatest if banking turmoil were to escalate into a systemic crisis, transmitted around the world via cross-border financial linkages. This would result in a severe downturn in the global economy in 2024—global growth could decline to just 0.3 percent. A severe credit crunch confined mostly to advanced economies would do lesser though still serious damage, reducing global growth in 2024 to 1.3 percent.



**Source:** <https://blogs.worldbank.org/developmenttalk/global-economic-outlook-five-charts-1>

#### THE FORECAST BY IMF

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking, reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthening financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.



- In the United States, growth is projected to slow from 2.1 percent in 2022 to 1.8 percent in 2023, then slow further to 1.0 percent in 2024. For 2023, the forecast has been revised upward by 0.2 percentage point, on account of resilient consumption growth in the first quarter, a reflection of a still-tight labor market that has supported gains in real income and a rebound in vehicle purchases. However, this consumption growth momentum is not expected to last: Consumers have largely depleted excess savings accumulated during the pandemic, and the Federal Reserve is expected to raise rates further.
- Growth in the euro area is projected to fall from 3.5 percent in 2022 to 0.9 percent in 2023, before rising to 1.5 percent in 2024. The forecast is broadly unchanged, but with a change in composition for 2023. Given stronger services and tourism, growth has been revised upward by 0.4 percentage point for Italy and by 1.0 percentage point for Spain. However, for Germany, weakness in manufacturing output and economic contraction in the first quarter of 2023 means that growth has been revised downward by 0.2 percentage point, to –0.3 percent.
- Growth in the United Kingdom is projected to decline from 4.1 percent in 2022 to 0.4 percent in 2023, then to rise to 1.0 percent in 2024. This is an upward revision of 0.7 percentage point for 2023, reflecting stronger-than-expected consumption and investment from the confidence effects of falling energy prices, lower post-Brexit uncertainty (following the Windsor Framework agreement), and a resilient financial sector as the March global banking stress dissipates.
- Growth in Japan is projected to rise from 1.0 percent in 2022 to 1.4 percent in 2023, reflecting a modest upward revision, buoyed by pent-up demand and accommodative policies, then slow to 1.0 percent in 2024, as the effects of past stimuli dissipate.

For emerging market and developing economies, growth is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent 2024, with modest revisions of 0.1 percentage point for 2023 and –0.1 percentage point for 2024. However, this stable average masks divergences, with about 61 percent of the economies in this group growing faster in 2023 and the rest—including low-income countries and three of the five geographic regions described in what follows—growing more slowly.

- Growth in emerging and developing Asia is on track to rise to 5.3 percent in 2023, then to moderate to 5.0 percent in 2024, reflecting a modest (0.1 percentage point) downward revision for 2024. The forecast for China is unchanged at 5.2 percent for 2023 and 4.5 percent for 2024, but with a change in composition: Consumption growth has evolved broadly in line with April 2023 WEO projections, but investment has underperformed due to the ongoing real estate downturn in that country. Stronger-than-expected net exports have offset some of the investment weakness, although their contribution is declining as the global economy slows. Growth in India is projected at 6.1 percent in 2023, a 0.2 percentage point upward revision compared with the April projection, reflecting momentum from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment.
- Growth in emerging and developing Europe is projected to rise to 1.8 percent in 2023, reflecting a 0.6 percentage point upward revision since April, and to rise further to 2.2 percent in 2024. The forecast for Russia in 2023 has been revised upward by 0.8 percentage point to 1.5 percent, reflecting hard data (on retail trade, construction, and industrial production) that point to a strong first half of the year, with a large fiscal stimulus driving that strength.
- Latin America and the Caribbean is expected to see growth decline from 3.9 percent in 2022 to 1.9 percent in 2023, although this reflects an upward revision of 0.3 percentage point since April, and to reach 2.2 percent in 2024. The decline from 2022 to 2023 reflects the recent fading of rapid growth during 2022 after pandemic reopening, as well as lower commodity prices; the upward revision for 2023 reflects stronger-than-expected growth in Brazil—marked up by 1.2 percentage points to 2.1 percent since the April WEO—given the surge in agricultural production in the first quarter of 2023, with positive spillovers to activity in services. It also reflects stronger growth in Mexico, revised upward by 0.8 percentage point to 2.6 percent, with a delayed post-pandemic recovery in services taking hold and spillovers from resilient US demand.
- Growth in the Middle East and Central Asia is projected to decline from 5.4 percent in 2022 to 2.5 percent in 2023, with a downward revision of 0.4 percentage point, mainly attributable to a steeper-than-expected growth slowdown in Saudi Arabia, from 8.7 percent in 2022 to 1.9 percent in 2023, a negative revision of 1.2 percentage points. The downgrade for Saudi Arabia for 2023 reflects production cuts announced in April and June in line with an agreement through OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters), whereas private investment, including from “giga-project” implementation, continues to support strong non-oil GDP growth.
- In sub-Saharan Africa, growth is projected to decline to 3.5 percent in 2023 before picking up to 4.1 percent in 2024. Growth in Nigeria in 2023 and 2024 is projected to gradually decline, in line with April projections, reflecting security issues in the oil sector. In South Africa, growth is expected to decline to 0.3 percent in 2023, with the decline reflecting power shortages, although the forecast has been revised upward by 0.2 percentage point since the April 2023 WEO, on account of resilience

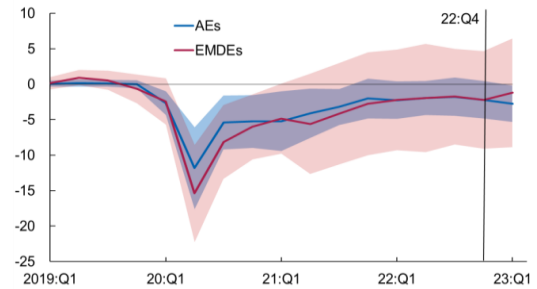
in services activity in the first quarter.

## Forces Shaping the Outlook

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions.

The World Health Organization (WHO) announced in May that it no longer considers COVID-19 to be a “global health emergency.” Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations. Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. The post-pandemic rotation of consumption back toward services is approaching completion in advanced economies (including in tourism-dependent economies of southern Europe), and it accelerated in a number of emerging market and developing economies in the first quarter (Figure 1). However, as mobility returns to pre-pandemic levels, the scope for further acceleration appears more limited.

**Figure 1. Value Added in the Services Sector: Distance to Pre-Pandemic Trends (Percent)**



Sources: Haver Analytics; and IMF staff calculations.  
Note: The lines denote means and the bands represent one standard deviation around the means. For 18 AEs, the sample comprises AUS, CAN, CHE, CZE, DEU, DNK, ESP, FRA, GBR, ISR, ITA, KOR, NOR, NZL, SGP, SWE, TWN, and USA. For 16 EMDEs, the sample comprises ARG, BRA, CHL, CHN, COL, HUN, IDN, IND, MEX, MYS, PER, PHL, RUS, THA, TUR, and ZAF. Economy list uses International Organization for Standardization (ISO) country codes. AEs = advanced economies; EMDEs = emerging market and developing economies.

At the same time, nonservices sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geo-economic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Gross fixed capital formation and industrial production have slowed sharply or contracted in major advanced economies, dragging international trade and manufacturing in emerging markets with them. International trade and indicators of demand and production in manufacturing all point to further weakness. Excess savings built up during the pandemic are declining in advanced economies, especially in the United States, implying a slimmer buffer to protect against shocks, including those to the cost of living and those from more restricted credit availability.

*The fight against inflation continues.* Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the buildup of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets. Its persistence reflects, depending on the particular economy considered, pass-through of past shocks to headline inflation into core inflation, corporate profits remaining high, and tight labor markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labor costs. However, to date, wage-price spirals—wherein prices and wages accelerate together for a sustained period—do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain anchored. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signaled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates. At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with yield curve control policy.

*Acute stress in the banking sector has receded, but credit availability is tight.* Thanks to the authorities' swift reaction, the March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse in Switzerland. Accordingly, since the April 2023 WEO, global financial conditions have eased (Box 1), a sign that financial markets may have become less concerned about risks to financial stability coming from the banking sector. But tight monetary policy continues to put some banks under pressure, both directly (through higher costs of funding) and indirectly (by increasing credit risk). Bank lending surveys in the United States and Europe suggest that banks restricted access to credit considerably in the first quarter of 2023, and they are expected to continue to do so in coming months. Corporate loans have been declining lately, as has commercial real estate lending.

*Following a reopening boost, China's recovery is losing steam.* Manufacturing activity and consumption of services in China rebounded at the beginning of the year when Chinese authorities abandoned their strict lockdown policies; net exports contributed strongly to sequential growth in February and March as supply chains normalized and firms swiftly put backlogs of orders into production. Nonetheless, continued weakness in the real estate sector is weighing on investment, foreign demand remains weak, and rising and elevated youth unemployment (at 20.8 percent in May 2023) indicates labor market weakness. High-frequency data through June confirm a softening in momentum into the second quarter of 2023.

Source: <https://www.imf.org/-/media/Files/Publications/WEO/2023/Update/July/English/text.ashx>

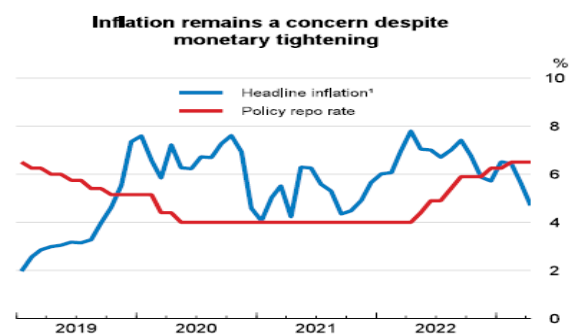
## INDIAN ECONOMY

Weak global demand and the effect of monetary policy tightening to manage inflationary pressures will constrain the economy in FY 2023-24, limiting real GDP growth to 6%. Moderating inflation and monetary policy easing in the second half of 2024 will help discretionary household spending regain momentum. This, along with improved global conditions, will help economic activity to accelerate, with growth of 7% in real GDP in FY 2024-25.

Despite an impressive growth and development record, daunting challenges remain. Creating good jobs is the most promising pathway to reduce poverty, which is particularly high in the female population. Increasing investment in education and vocational training, and updating labour laws, would help to achieve this objective. India is particularly vulnerable to extreme heatwaves and must make progress in mobilizing resources for investment in the green economy.

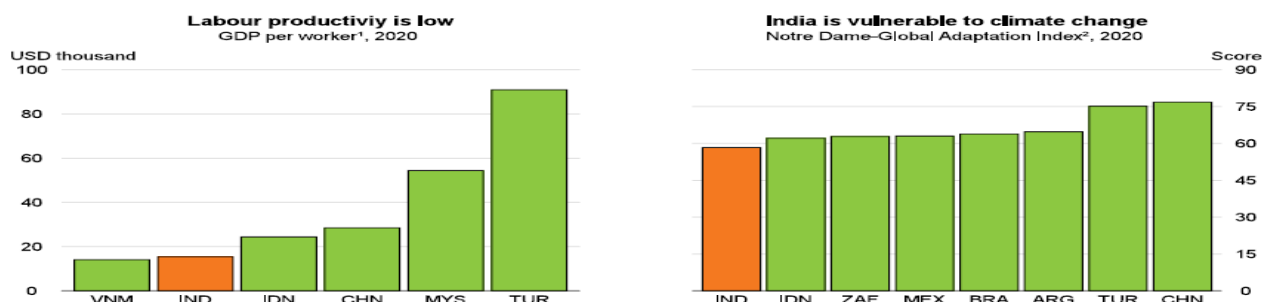
Moderating demand and high inflation have slowed economic activity FY 2022-23 ended on a positive note, due to higher-than-expected agriculture output and strong government spending. However, high inflation, in particular for energy and food, and the ensuing monetary tightening to anchor expectations are weighing on purchasing power and household consumption, particularly in urban areas. Tighter financial market conditions are reflected in weakening credit-supported demand for capital goods, a good proxy for business investment. The merchandise trade deficit was 40% larger in FY 2022-23 than in FY 2021-22, with trade in petroleum accounting for over two-fifths of the deterioration. Although services export growth remains brisk and the sectoral surplus rose by 35%, it is insufficient to offset the imbalance in goods' trade. Low labour productivity is affecting the competitiveness of "Made in India" goods and participation in global value chains. The current account deficit narrowed in the October-December quarter to 2.2% of GDP, from 2.7% in the same period in FY 2021-22. Headline inflation has fallen below 6% (the central bank's upper bound of the tolerance band) since March 2023, mostly due to lower food prices, as well as base effects. Employment and wage estimates suggest improving labour market conditions in rural areas, while export-oriented service firms report increasing difficulties filling vacancies.

### India 1



1. Headline inflation refers to the change in price of all goods in the basket. OECD seasonal adjustment based on monthly consumer price index (index 2012 = 100) from the Ministry of Statistics and Programme Implementation (MOSPI).  
Source: OECD Economic Outlook 113 database; CEIC; and RBI.

## India 2



1. GDP per worker at constant prices using 2017 PPP.

2. The Notre Dame-Global Adaptation Index is a composite indicator which summarises two sub-indices: 1) a country's vulnerability to climate change and other global challenges and 2) a country's readiness to improve resilience. The index is recalculated based on the best performing country's score (Norway = 100).

Source: APO Productivity Databook 2022; and University of Notre Dame, Notre Dame Global Adaptation Initiative.

Domestic growth prospects are strongly influenced by global developments. India has seized the opportunity of discounted Urals oil, which has increased Russia's share in its energy imports. The sourcing of fertilisers from Russia has also increased considerably, more than doubling in volume in the case of urea. Overall, Indian imports from Russia rose from USD 9.9 billion (1.6% of total imports) in FY 2021-22 to USD 46.2 billion (6.5%) in FY 2022-23.

### Macroeconomic policies remain restrictive

Monetary policy is focused on anchoring inflation expectations and bringing headline inflation consistently within the 2-6% tolerance band. A long cycle of policy rate increases came to a halt in April. Following one further small increase, rates are expected to remain unchanged until the end of the calendar year, when evidence will confirm whether core inflation, which is less sensitive to weather conditions and geopolitical tensions, has durably diminished. The projections assume mild interest rate declines from mid-2024.

During the projection period, the priority for fiscal policy is to control government debt, so as to keep it at sustainable levels, reduce interest payments, and thereby free resources for public investment in physical and human capital and initiatives to adapt to population aging. The Pradhan Mantri Garib Kalyan Anna Yojana scheme provided free foodgrains to eligible beneficiaries during the pandemic, but targeting was imprecise – as testified by the number of beneficiaries (820 million), well in excess of most estimates of the poor population (between 400 and 500 million) – and the cost excessive. Its suppression in 2023 reinforces the need to update the 2011 Census in order to guarantee coverage of eligible families. The next 25 years until the 2047 centenary of Independence will be crucial for India to fight poverty and the government strategy (so-called Amrit Kaal) will require a large increase in capital investment outlays.

### The economy will not escape the global slowdown

After reaching 7.2% in FY 2022-23, real GDP growth is expected to slow to 6% in FY 2023-24, before rising to 7% in FY 2024-25. While indicators suggest that India's growth is stable for now, headwinds from the impact of rapid monetary policy tightening in the advanced economies, heightened global uncertainty and the lagged impact of domestic policy tightening will progressively take effect. With slower growth, inflation expectations, housing prices and wages will progressively moderate, helping headline inflation converge towards 4.5%. This will allow interest rates to be lowered from mid-2024. The trade restrictions (including export bans on various rice varieties) imposed in 2022 to fight inflation are assumed to be withdrawn. The current account deficit will narrow, reflecting abating import price pressures.

Most risks to the projections are tilted to the downside. While banks' solvency ratios and financial results have improved and the authorities have enhanced loan-loss provisioning and established a 'bad bank', any deterioration of banks' asset quality could threaten macro-financial stability. In the run-up to the 2024 elections, fiscal consolidation may be delayed, and the conclusion of trade agreements may become more difficult. A potentially below-normal monsoon season could also impact growth. Declining geopolitical uncertainty, on the other hand, would boost confidence and benefit all sectors, as would a faster-than-expected conclusion of free-trade agreements with key partners and the incorporation therein of services.

### Climate change and gender gaps require targeted policies

More than half of the Indian population lives in the Indo-Gangetic Plain and is exposed to the increasingly frequent and extreme heatwaves caused by climate change. It is estimated that almost 100 000 extra lives are lost every year due to hot weather and the flooding that can follow. The economic costs are also large, including labour losses, a meagre wheat harvest, greater livestock mortality and power outages. Reducing global greenhouse gas emissions, including in India, will help limit



such losses in the long term. However, measures that can immediately reduce the impact of extreme weather events are also needed, such as improved infrastructure to prevent flooding. Sustainable development also requires further progress in gender equality across many dimensions, including access to health, education and capital. Impressive results have been attained, for instance in financial inclusion, but substantial gaps remain. Policy formulation and execution should fully incorporate gender considerations and specific indicators. Enhanced policy efforts to increase childcare assistance, vocational training and life-long education for working women would also be welcome. Better enforcement of the land rights of women would strengthen their economic position and, by making it possible to use this asset as collateral, may also facilitate investments in climate mitigation and adaptation.

Source: <https://issuu.com/oecd.publishing/docs/india-oecd-economic-outlook-june-2023?fr=sNDBIZDUwNTY2MTA>

### Road Ahead

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

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

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

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

### GLOBAL SERVER MARKET

Despite a huge decline in unit demand, the server market continued experiencing strong spending growth in the second quarter of 2023 with 3.4% y/y growth, driven by high ASP growth, mostly related to higher than usual GPU server shipments to hyperscalers.

The market faces continued challenges heading into the second half of 2023, including remnants of impact from the pandemic, historically high inflation, slowdown in economic activity, supply chain disruption and geopolitical conflict. However, the server market has proven very resilient in recent years, as IT infrastructure has become increasingly mission critical for many organizations.

While the nature of investment and workload choices may be impacted by economic and other pressures, overall, the market is expected to grow over the next five years at an 8.9% CAGR. An aging installed base is primed for refresh, and some of this may have already happened in 2022, although increasingly it appears that some of it may spread into early 2024, as the tech transition to new CPU platforms gradually moves forward. Large cloud service providers will continue their refresh and expansion plans steadily through 2027. An expected digestion phase of excess inventory may be masked by additional investments in new deployment themes such as GPU server infrastructure for AI, although there may have been steps taken towards reduction in excess capacity by some hyperscalers already.



The war between Russia and Ukraine continues to impact the market in both direct and indirect ways. In the most direct way, system sales in Russia and Ukraine continued shrinking throughout 2023 and will continue to drive the decline in the overall

CEE region. Indirectly, the war added to already growing energy prices and transportation costs, which have a rippling impact on the IT industry, especially on regions that historically relied more on energy resources from Russia. Cutting energy supply worsens already declining consumer and business confidence. This has driven higher demand for energy efficient and sustainable systems, which is also expected to be a longer-term trend across all regions. Direct impact of inflation on servers was felt more strongly each subsequent quarter during 2022, with year over year ASP growth rates escalating to 29.0% year over year in the second quarter of 2023, while unit growth, which had been in the teens through most of 2022, dropped to a meager +1.4% in 2022Q4, declined year over year in 2023Q1 by -10.0%, and now by -19.9% in 2023Q2.

(Source: <https://www.idc.com/promo/servers> )

### GLOBAL SUPERCOMPUTER MARKET OUTLOOK

The global supercomputer market is projected to increase at an impressive CAGR of 10.5% and hit a valuation of US\$ 19 billion by the end of 2033, up from US\$ 7 billion in 2023.



In comparison to a general-purpose computer, a supercomputer is a high-performance computer. Supercomputer performance is measured in FLOPS (Floating-Point Operations Per Second) rather than MIPS (Million Instructions Per Second). Supercomputers are employed in computation-intensive and data-intensive technological and scientific applications such as biomechanics, quantum theory, fossil fuel extraction, weather prediction, molecular dynamics, cryptanalysis, nuclear fusion research, and physical simulations.

- The number of supercomputers in the world is growing. China currently possesses 167 of the world's 500 supercomputers, while the United States has 122.

The growing use of supercomputers in the research and development of drugs and increased biotechnology adoption is likely to fuel the market growth during the forecast period. Supercomputers were extensively used to create drugs to combat the COVID-19 pandemic. Supercomputers were employed to scan a massive data volume in a few milliseconds to evaluate the coronavirus's nature and check if any components in existing medications could tackle the virus.

- For example, as part of the European Union-funded EXSCALATE4CoV project in 2020, Sanzio and his Cineca team cooperated with 15 other partners and 24 associated members across Europe. To research the safest coronavirus treatments, the effort brought together four supercomputer platforms in Spain, Germany, and Italy, as well as Europe's leading pharmaceutical corporations and academic institutions. Due to the high-performance computing capacity of supercomputers and the combined capabilities of the project members, the research was completed in a matter of months. The consortium's supercomputers had already examined the interaction of the coronavirus with 400,000 medicinal compounds by the middle of 2020 to see which one could kill the virus and prevent it from growing.
- In November 2020, the two Italian supercomputers, ENI's HPC5 and Cineca's Marconi-100, performed their most challenging work. In approximately 60 hours, they examined over 70 billion medicinal chemicals.

Moreover, major companies' increased efforts in the research and development of supercomputers are bolstering market growth.

- For example, Aurora, a supercomputer created in suburban Chicago by Intel in collaboration with the US Department of Energy's Argonne National Laboratory for AI research, will be two times faster than projected. As per Intel, the computer will be capable of doing two quintillion computations per second.

### Why are Supercomputers Attracting So Much Attention?

#### 1. *“Rising Demand for High-Processing Power”*

Rising demand for high processing power is increasing the sales of supercomputers. High processing power refers to the processing needed to manage and process data to evaluate it and make decisions.

Governments throughout the world are investing in high-end projects that necessitate high-performance computing systems, leading to a rise in supercomputer demand.

- For example, the National Center for Atmospheric Research-USA revealed a \$35 million plan in January 2021 to start a powerful new supercomputer to study phenomena such as climate change, solar storms, and extreme weather events.
- The UK government announced in February 2020 a £1.2 billion (\$1.26 billion) investment in the world's most advanced and powerful weather and climate supercomputer to enhance extreme weather and climate prediction.

As a result, the rising demand for high processing power is boosting the sales of supercomputers.

#### 2. *“Increasing Usage of Cloud Technology”*

Supercomputers significantly contribute to a country's scientific growth and national security. Supercomputing centers are widely using cloud services to manage workloads and security. The cloud service runs parallel programs that do not need a highly specialized infrastructure. Nevertheless, more advanced applications are projected to run on the cloud in the future years.

For example, Cray, a supercomputer manufacturer based in the United States, collaborated with Microsoft to install its devices and storage systems on the Azure Cloud platform. Customers can operate their most strategic workloads in Microsoft Azure's cloud service by using Microsoft Azure.

### Country-wise Insights

- **Asia Pacific** held 46% share of the worldwide market for supercomputers in 2022. In terms of technology, Asia Pacific has been quickly expanding. Countries such as South Korea and Japan have played a significant role in the region's rapid rise of supercomputing systems.

Japan, which has roughly 33 of the world's 500 most powerful supercomputers, including the K computer, is the key contributor to the Asia Pacific market. Japan's flagship 2020 initiative led to the investment of more than US\$ 1 billion in developing more effective systems than the country's K computer. Japan's Fugaku supercomputer was unveiled in August 2022 to research new medications and predict catastrophic weather conditions.

As per a French-Korean Conference report, South Korea intends to develop one of the five quickest exascale supercomputers by 2030, possibly using local processors.

Such advancements in Japan and South Korea are boosting the Asia Pacific market.

- The **North American** market is predicted to experience considerable growth during the forecast period. The United States is second in the world in terms of supercomputers, with 122 of the total 500 supercomputers currently in operation. Moreover, American companies are making significant expenditures in research and development, which is likely to support market growth.

For example, NVIDIA and IBM constructed Summit, a new supercomputer faster than Titan, the fastest supercomputer in North America.

- The European market is expected to increase at a steady pace during the forecast period. Germany is leading the European

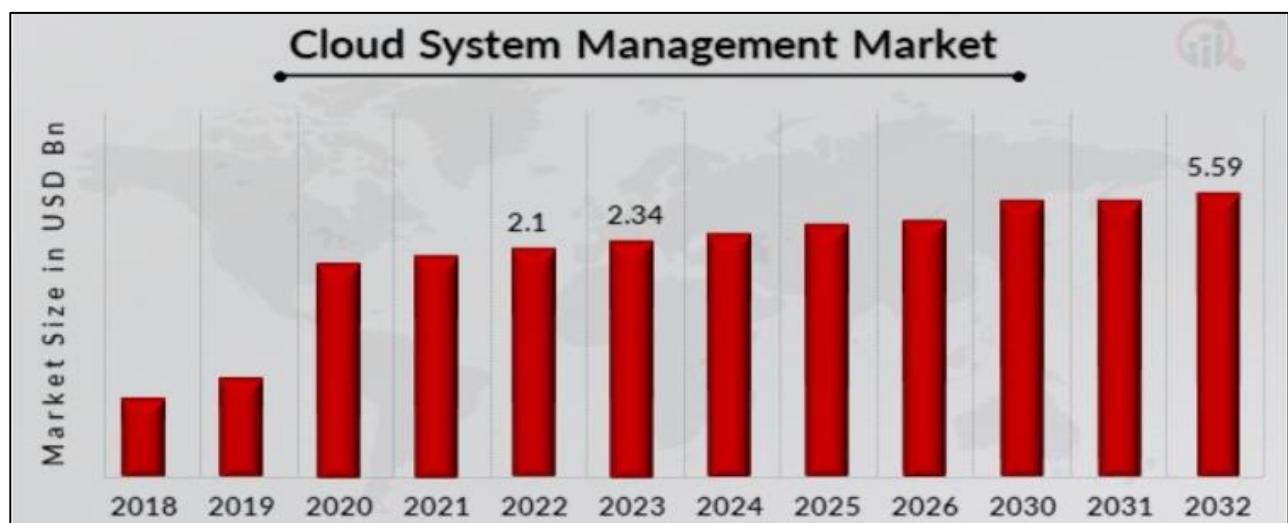
market.

Germany is home to **9** of the world's 500 supercomputers, including the previous national standard setters, the SuperMUC-NG in Munich (number 15), and the Hawk in Stuttgart (number 16).

(Source: <https://www.factmr.com/report/supercomputer-market> )

## GLOBAL CLOUD SYSTEM MANAGEMENT OUTLOOK

Cloud System Management Market Size was valued at USD 2.1 billion in 2022. The Cloud System Management market industry is projected to grow from USD 2.34 Billion in 2023 to USD 5.59 billion by 2032, exhibiting a compound annual growth rate (CAGR) of 11.50% during the forecast period (2023 - 2032). Rapidly implementing virtualized workloads and improved productivity in the workplace are the key market drivers enhancing market growth.



Market CAGR for cloud system management is driven by the rising the increasing demand for cloud services that streamline the administration of heterogeneous cloud infrastructures and the increased popularity of hybrid and multi-cloud strategies among enterprises of all sizes and industries. Increased interest in cloud-based technologies from a wide range of industries is helping to fuel the growth of the cloud systems management software market.

With AIOps capabilities, businesses have access to a plethora of tools for automating their IT operations. Organizations are being encouraged to use AIOps solutions due to their capacity for root cause investigation, anomaly identification, and enhanced actionable insights. Companies that adopt AIOps solutions can foresee potential problems and prepare for them. These products assist businesses avoid the expenses caused with application and infrastructure failures. With the use of AIOps systems, businesses can automation alert distribution, problem tracking, and information-sharing. Additionally, in recent years, many businesses have invested a sizable percentage of their profits in their IT infrastructure.

Additionally, Cost reduction, ease of management, dependability, flexibility, and strategic advantage are just a few ways cloud-based system solutions aid businesses. Also, corporations are hesitant to shift data to the cloud and instead choose on-premises infrastructure to keep critical information due to concerns over privacy and security. There have been many breakthroughs and innovations in cloud computing, but the biggest challenges have been security and interoperability.

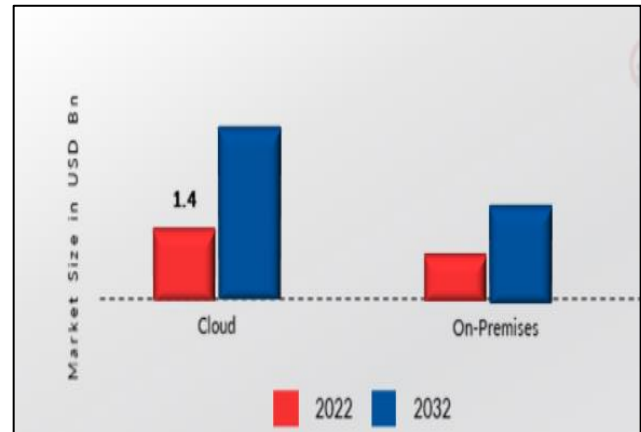
For instance, Microsoft has introduced a healthcare-specific cloud service. Caregiver productivity and doctor-patient bonds can both benefit from this innovation. As a result, it is anticipated that demand for Cloud System Management will increase throughout the projection period due to the rising technology rate. Thus, the driving factor of the Cloud System Management market revenue.

### Cloud System Management Market Segment Insights



### • Cloud System Management Component Insights

The Cloud System Management market segmentation, based on Components, includes IT operations management, IT service management, and IT automation & configuration management. The IT operations management category held the largest share. The expansion of this market segment is anticipated to be driven by the rising interest in network management, server, and device administration, computer operations, IT infrastructure library management, and help desk services are just some of the areas that benefit from IT operations management (ITOM), which allows for more efficient deployment of applications to internal and external customers.



### • Cloud System Management Deployment Insights

The Cloud System Management market segmentation, based on deployment, includes cloud and on-premises. The cloud category is expected to grow fastest and capture the market's largest share. The increasing popularity of cloud-based services and solutions among consumers is largely responsible for the sector's expansion. The on-premises solution is the sole option for highly regulated sectors like government and banking that require the highest levels of security and privacy.

### Key Companies in the Cloud System Management market include

- VMware Inc. (US)
- Microsoft (US)
- IBM Corporation (US)
- Cisco Systems, Inc. (US)
- BMC Software, Inc. (US)
- New Relic, Inc. (US)
- Splunk Inc. (US)
- ServiceNow (US)
- Dynatrace LLC (US)
- Datadog (US)
- Oracle (US)
- Broadcom (US)
- Wealthblock.AI (US)
- Amazon Web Services, Inc. (US)
- Google (US)

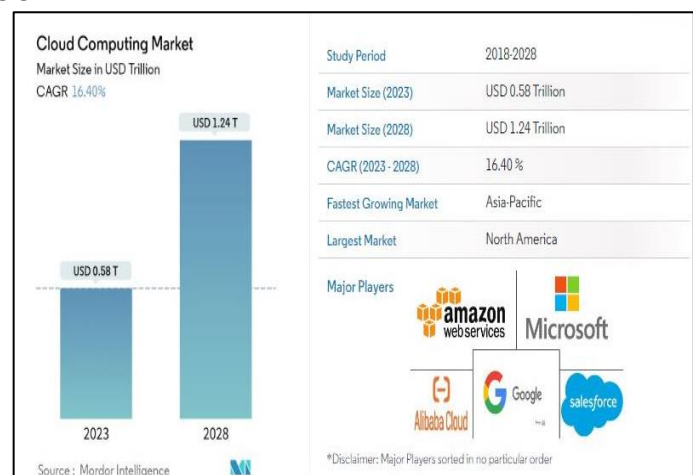
(Source: <https://www.marketresearchfuture.com/reports/cloud-system-management-market-10561>)

## CLOUD COMPUTING GLOBAL MARKET OUTLOOK

The Cloud Computing Market size is expected to grow from USD 0.58 trillion in 2023 to USD 1.24 trillion by 2028, at a CAGR of 16.40% during the forecast period (2023-2028).

Global demand for cloud computing is growing because of emerging technologies like big data, AI, and machine learning (ML). Also, increased focus on customer-centric applications to boost consumer satisfaction is one element impacting the rise of emerging technologies.

- Cloud-based infrastructure provides flexible, on-demand access to the resources underlying these new



digital business solutions. The technology is beneficial for enterprise resource planning (ERP), online transaction processing (OLTP), and supply chain management (SCM) across sectors. For example, IBM is shifting to SAP S/4HANA®, SAP's next-generation ERP software, to execute work spanning more than 120 countries, 1,000 legal entities, and multiple IBM businesses covering software, hardware, consulting, and finance.

- Companies are transforming towards implementing hybrid cloud in their business environment. Agility is the hybrid cloud's main advantage. Companies are integrating public, private, and on-premises resources to acquire agility and competitive advantage. For instance, Microsoft's Azure Arc hybrid and multi-cloud management solution have undergone public improvements, as well as its interactions with the Azure Machine Learning (ML) and Azure Kubernetes Service (AKS) services. Customers can develop apps and services that work across data centers, the edge, and several clouds by expanding the Azure platform.
- Organizations increasingly need solutions that enable employees to operate remotely safely and productively. To enable remote work for normal employees, contact center agents, and creative professionals, providers offer specialized solutions based on their clouds in a secure, timely and affordable manner. For instance, Zscaler recently unveiled the Cloud-Native Application Protection Platform (CNAPP), a new Posture Control solution that runs on AWS. The company's new CNAPP platform enables DevOps and security teams to accelerate cloud adoption while lowering operational complexity and overhead by replacing numerous point security products with a single, integrated platform.
- Cloud computing is a technology that provides platforms, software, and infrastructure on demand, making it prone to various kinds of data breaches. If customers are certain that security measures are in place, they will raise security concerns about outsourcing their data to public cloud services. Although cloud service providers work hard to protect their client's data, there have been enough data breach events to cause problems for even the most well-known businesses. For example, A security failure at Flagstar Bank, a US banking institution, has exposed the personal information of up to 1.5 million customers.
- One of the biggest changes in the workplace was witnessed because of the pandemic. COVID-19 has transformed many employees' working scenarios, and many still work from home. Thereby, they must communicate and collaborate online. Thus, cloud computing is crucial to effectively tackle the difficulty of working from home. cloud computing has acted as the main catalyst for digital transformation. Furthermore, cloud computing technology aided in delivering excellent healthcare services during a lockdown situation.

(Source: <https://www.mordorintelligence.com/industry-reports/cloud-computing-market> )

## INDIAN SERVER MARKET

The Indian data center sector is currently in a dynamic phase, marked by impressive growth and substantial government support. In 2023, India's data center market is forecasted to achieve revenues of approximately US\$7.44 billion, with network infrastructure emerging as the dominant segment, valued at US\$5.09 billion. In 2022, the data center capacity in India was at 637 MW.

India is ranked the 13th largest data center market in the world with 138 data centers. Additionally, 45 new data centers with a combined 13 million square feet and 1,015 MW of capacity are scheduled to be developed by the end of 2025.

Data center businesses in India are positioned for consistent annual expansion, with an expected compound annual growth rate (CAGR) of 5.84 percent, propelling the market size to an estimated US\$9.27 billion by 2027.

The substantial growth potential in India's data center sector is fueled by the demands of the IT sector and global capability centers (GCC), the expanding digital economy encompassing social media, e-commerce, digital transactions, online gaming, and streaming services, as well as the shift towards hybrid workplaces. This presents significant investment opportunities for businesses providing top-tier data center infrastructure and services.

(Source: <https://www.india-briefing.com/news/indias-data-center-sector-market-outlook-and-regulatory-frameworks-29548.html/>)

## Growing Adoption of Big Data Driving Market Growth

Owing to increased internet speed and an increase in internet users, a lot of data has been generated over time and social media usage has expanded. Healthcare, BFSI, education, and the hospitality sectors are just a few of the businesses that are being impacted by the growth of data. Technology advancements and initiatives to undergo a digital transformation are

driving this trend. The demand for servers to manage and store data is increasing as a result of the trend toward digitalization. Data centers will therefore be more necessary to store the created data. As these servers are integrating automated facilities as a result of technological advancements, their operators are likely to buy incredibly sophisticated servers that can be managed remotely.

### Increasing Usage of Cloud Services Driving India Server Market

In order to stop the spread of COVID-19, India went into lockdown. This led to the country's remote working policy, which has been substantially backed by cloud computing solutions and enables employees to do jobs effectively from any place. On the cloud, such as businesses and governments can effectively handle a lot of data. These cloud services are, however, quite vulnerable to issues such as incorrect storage configuration, insufficient identity and access management safeguards, unsafe application programming interfaces (APIs), data loss, breaches, and leaks. These concerns will increase in importance as more businesses adopt cloud computing models, which is likely to spur development in the installation of suitable servers and the construction of suitable data centers. IoT is one of the most crucial connections for sensor and cloud server communication.

### Growth of Sensor and IoT Controlled Environment is Driving the Market

As there are currently many new technologies and in-office sensors being used for servers, the future generation of advanced sensors will be able to regulate, automate, detect, and maintain many operations that will generate a lot of data. Similar to how the Internet of Things (IoT) has been quickly embraced by a variety of industries nationwide, many activities are moving to the cloud and require data storage. IoT is one of the most crucial connections for sensor and cloud server communication. As all the devices are IoT-connected, the cloud servers can easily coordinate their operations, and all the data is safely stored on servers, leading to a rise in demand for servers.

### Government Initiatives

To open data centers (servers) in various states, the Indian government is considering a number of projects. For example, the UP-Data Center Policy FY2021 established a target investment of INR 20,000 Crores (USD 2.5 Billion) for the development of the 250MW data center industry. The establishment of data centers (servers) in all state areas will be made possible by this. The way we live is changing quickly as a result of technology and data has evolved into a fundamental requirement for urbanization. With more than 1 billion mobile devices and 45 million internet users, India's data center growth is outpacing that of the rest of the world. As a result of this initiative, other parts of India will start investing in the production of servers, which will drive the expansion of the country's server market.



### Market Segmentation

The India Server Market is segmented based on hardware, operating system, end user, region, and company. based on hardware, the market is further fragmented into rack server, blade server, tower server. Moreover, segmentation of the market on grounds of operating system is done into Linux, Windows, iOS, and Others. Based on end user, the market is

divided into IT & ITeS, government, telecommunications, BFSI, and others. Based on regional analysis, the market is divided into North, South, East, and West.

(Source: <https://www.techsciresearch.com/report/india-server-market/7252.html>)

## MAKING INDIA A GLOBAL HUB FOR DATA CENTRE AND CLOUD SOLUTIONS

Digital commerce, digital entertainment, and social media use in India have grown at an exponential rate. India's mobile data consumption is already the highest in the world and is steadily rising. To meet the country's expanding needs, data centres must expand rapidly due to the magnitude of India's digital population and the fast-rising trajectory of its digital economy. The recent explosion of data from smartphones, e-commerce, social networking sites, digital education, digital payments, and many other digital business services has contributed to the remarkable expansion of the Indian data centre market. Currently, India has 80+ third-party data centres, with a total count of around 130+ data centres, which is expected to grow in the future years as India tries to become a genuinely digital economy. The rapid growth of internet users, the tremendous emergence of startups, the rapid use of cloud computing, and the government's investment in the IT sector are all significant drivers of digital and economic progress in India. Favourable market factors in India, such as low internet and data plan costs, high demand and low supply, and an immature market, have demonstrated enormous potential growth.

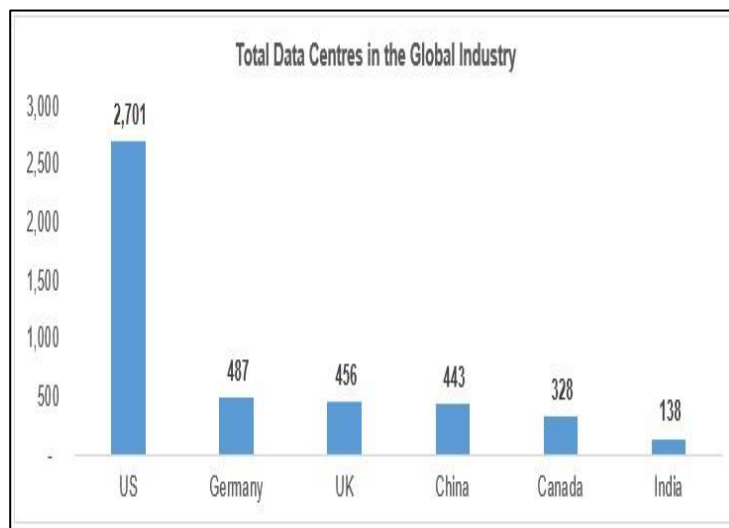
India's data centre industry was worth US\$ 4.4 billion in 2020. Furthermore, by 2026, the Indian data centre industry is expected to rise by US\$ 8.0 billion. The Indian Public Cloud Services (PCS) market is anticipated to reach US\$ 13.5 billion, increasing at a compound annual growth rate of 24% between 2021-26. With the explosion of data-intensive technologies such as Big Data, IoT, the demand for data collection and storage is increasing exponentially, resulting in the growth of the Indian data centre market, which is currently valued at US\$ 1.5 billion and is expected to grow at 11.4% CAGR. The digital economy in India is expected to increase from US\$ 200 billion in 2017-18 to an outstanding US\$ 1 trillion by 2025.

### Data Centre and Cloud Solutions Industry in India

A Data Centre is a specialised secure room within a centralised location where computing and networking equipment is concentrated for the purpose of gathering, storing, processing, distributing, or enabling access to massive volumes of data. Cloud service providers store their IT infrastructure in Data Centres to deliver Cloud Computing services to end customers. A cloud service provider is a third-party company that provides a cloud-based platform, infrastructure, application, or storage service. Examples include Google Cloud Services, Microsoft Azure, and Amazon Web Services.

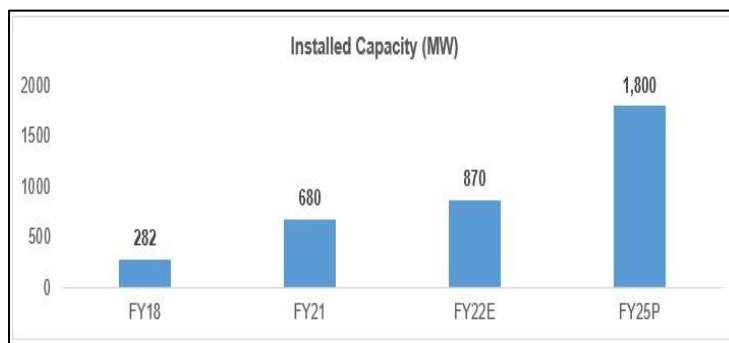
The cloud is the foundation of digital transformation, and the data centres are the foundation of cloud services. Cloud service providers are heavy users of data centre colocation space. Beyond their own build, CSPs are one of the major users of external data centre services. Over the last three years, hyper scalers have consumed over 60% of data centre capacity, and their thirst is only expanding. Additionally, the CSPs require edge data centres to link with carriers and, via the telecom service providers, to businesses and end consumers. For the CSPs to be able to offer the needed level of services, all under 1 millisecond of latency with appropriate redundancy for 99.99% uptime, interconnected data centres in other cities are crucial.

India is the world's 13th largest data centre market, with 138 data centres. And by the end of 2025, it is anticipated that 45 new data centres with a combined 13 million square feet and 1,015 MW of capacity will be built. In 2021, India's data centre industry was estimated to be worth US\$ 4.35 billion. It is anticipated to increase by 132% in just six years, to US\$



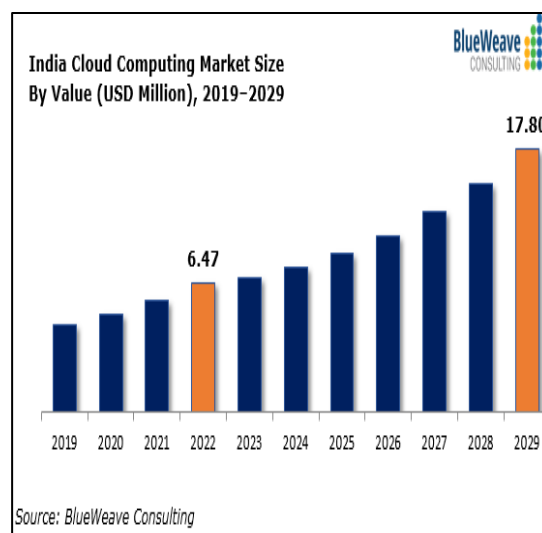
10.09 billion, by 2027. By the end of 2022, India would have more than 700 million internet users, nearly double the number in the United States.

India is also concentrating on boosting electricity capacity through solar, hydroelectric, and wind, which will draw both domestic and global firms to the Indian data centre sector. The government of India is developing a data centre policy to attract investments and increase the country's current rate of data centre expansion. Along with the establishment of data centre economic zones and Data Centre Facilitation Units (DCFU), the incorporation of data centres under the Essential Services Maintenance Act (ESMA), and the development of a distinct category code for data centres under the National Building Code of India are all included in this plan. It also includes plans to use renewable energy sources to reduce carbon footprint. According to Crisil India, data centre capacity in India is predicted to increase by more than double to 1,700-1,800 megawatts (MW) by fiscal 2025, up from 870 MW last fiscal year, due to the data boom, digital adoption, and local data storage laws. In order to achieve this, an investment of more than US\$ 4.84 billion (Rs. 40,000 crore) would be necessary.



### Cloud Computing Indian Market

India cloud computing market size was estimated at USD 6.47 billion in 2022. During the forecast period between 2023 and 2029, the India cloud computing market size is projected to grow at a CAGR of 18.37% reaching a value of USD 17.8 billion by 2029. The market growth is mainly driven by surging adoption of digital transformation strategies by businesses seeking enhanced efficiency and competitiveness. Businesses and individuals are realizing the benefits of using cloud services, which allow them to store and access data, run software, and collaborate online without needing to invest in and manage complex IT infrastructure. The cloud provides flexibility, cost savings, and the ability to scale resources up or down as needed. With the increasing demand for remote work solutions, digital transformation, and online services, more companies are embracing cloud technology to stay competitive and meet the changing needs of their customers. This shift is reshaping how we use technology and do business, contributing to the continued expansion of the cloud computing market in India.



### Increasing Demand for Data Storage and Processing

The remarkable surge in the demand for data storage and processing capabilities stands as a pivotal driver propelling the rapid growth trajectory of the cloud computing market in India. This escalating demand is precipitated by a convergence of transformative technological forces, including the exponential proliferation of data-intensive applications, the advent of big data analytics, the pervasive integration of Artificial Intelligence (AI) and Machine Learning (ML) across sectors, the dynamic expansion of the Internet of Things (IoT) ecosystem, and the paradigm shift towards remote work and collaboration. Cloud computing emerges as the indispensable solution to address these multifaceted challenges, offering a scalable and agile infrastructure that accommodates the colossal volumes of data generated while facilitating seamless processing, analysis, and extraction of actionable insights. This trend reflects an overarching recognition by businesses and organizations in India of the imperative to harness the potential of data as a strategic asset, thereby driving a profound transformation in industries ranging from e-commerce and finance to healthcare and telecommunications. As a result, the cloud computing market in India experiences a momentous surge, contributing significantly to the nation's technological advancement and economic growth.

### Emerging technology trends

- **Smart data centres**

Smart data centres provide the necessary infrastructure, platforms, and computing capabilities to enable organisations to remain agile and embrace change. National Payments Corporation of India (NPCI) plans to establish Smart Data Centres in Hyderabad and Chennai.

- **Eco-Smart Future**

Servers are stored in a climate-controlled space with carefully regulated humidity and temperature conditions. Since each rack utilises more energy and produces more heat, cooling systems have to work harder to maintain safe and effective operations. Cloud computing can save billions of dollars in energy expenses and millions of metric tonnes of carbon emissions if the cloud data centre is situated in a location that has adequate renewable energy sources. Therefore, India has the potential to become a global powerhouse for green data centres.

- **Networking**

Networking capabilities within servers are also transitioning from standard Network Interface cards (NIC) to smart NIC, providing for hardware-level processing capabilities.

- **Compute**

The industry is witnessing a transition towards Graphical Processing Units (GPU) and Programmable Processing Units (PPU) by utilising Field Programmable Gate Array (FPGA), which allows hardware developers to programme these units to a given application and use cases, offering push to AI/ ML.

### **Investment Landscape**

- In May 2023, Adani to invest more than US\$ 2.42 billion (Rs. 20,000 crore) to build India's first integrated data centre and tech biz park in Andhra Pradesh, hosting a 300 MW of data centre capacity.
- Global titans including NTT, Google, Microsoft, and Amazon, as well as L&T, and Hiranandani Group, have plans to build new data centres in the nation or expand their current ones. Around 4,900-5,000 MW of data centre capacity is likely to be built in the next six years, including investments of up to US\$ 18.16 (Rs. 1.5 lakh crore).
- One of the top hyper-scalers has plans to invest more than US\$ 2 billion in Hyderabad to build two data centres.
- A Japanese corporation has also announced plans to invest over US\$ 2 billion in India over the next four years, citing India's booming data centre sector.
- Another factor contributing to the growth of the Indian DC market is the increased demand for colocation data centres in both global and local organisations. As a result, over ten colocation providers will make major investments in the Indian DC market in 2021.
- A major Indian telecommunications company has announced plans to spend US\$ 605.29 million (Rs. 5,000 crore) to construct seven hyper-scale data centres, which will triple its capacity and help India establish itself as a regional data centre hub.
- Another major telecommunication company also intended to invest US\$ 950 million in the construction of a data centre in Uttar Pradesh.
- The Indian government has proposed an incentive system to stimulate the establishment of data centres. Additionally, the government intends to invest more than US\$ 1 billion over the course of the following five years as part of a hyper-scale data centre plan.

### **Road Ahead**

India is undergoing a shift from an emerging to a developed market economy, and technology is expected to play a critical part in this transition. Digital transformation is not only catalysing economic growth across all sectors, but it also serves



as the foundation for improved citizen service delivery, enabling social and financial inclusion, increasing productivity, and contributing to the creation of a linked ecosystem. The data processing and storage market is expected to rise from US\$ 56 billion in 2020 to US\$ 90 billion by 2025. The amount of data collected daily is increasing dramatically in a digitally connected society. Organisations and enterprises rely more than ever on data collection and the associated Information and Technology (IT) infrastructure. As reliance on data grows, so does the demand for robust, dependable, scalable, and sustainable data centres. The government of India is encouraging the data centre business, and in addition to local players, many international data centre, and cloud service providers are establishing their footprints in India.

The Indian government has taken massive steps by launching initiatives such as the National eGovernance Plan (NeGP) and the Digital India initiative to transform and boost the country's digital capabilities, with a focus on leveraging digital technologies in various sectors such as education, healthcare, e-commerce, industrial, and agriculture. The use of cutting-edge technology, such as quantum computing, artificial intelligence, the Internet of Things, etc., has further encouraged data expansion. The introduction of a bigger number of Special Economic Zones (SEZs), Software Technology Parks (STPs), bolstering skills development and an entrepreneurial ecosystem, and providing different tax and non-tax incentives in these cities may help to strengthen India's digital economy. India will be a key hub for the expansion of data centres over the coming ten years since it has the capacity to adopt the multi-cloud era quickly.

(Source: <https://www.ibef.org/blogs/making-india-a-global-hub-for-data-centre-and-cloud-solutions> )

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 27 for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 186 and 263 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.*

Our Company was originally incorporated on March 30, 2012 as a Private Limited Company as “Esconet Technologies Private Limited” vide Registration No. 233739 under the provisions of the Companies Act, 1956, with the Registrar of Companies, Delhi. Thereafter various amendments in the Name and Registered Office has been taken place, please refer chapter “Our History and Certain other Corporate Matters” on page no. 157 of this Prospectus.

### **BUSINESS OVERVIEW:**

Esconet Technologies Private Limited, founded in 2012, is engaged in the business of meeting a wide range of IT requirements such as high-performance supercomputing solutions, data centre facilities, encompassing storage servers, network security, virtualization, and data protection. Our comprehensive solutions cater to the needs of SMEs, large enterprises, and public sector clients. Furthermore, Esconet extend its capabilities into the cloud services domain through its wholly owned subsidiary, ZeaCloud Services, ensuring that our clients have access to cutting-edge technology and a seamless IT infrastructure experience.

Throughout this journey, Esconet has garnered not only experience but also the pool of clientele base of private and public sector organizations mentioned below. This positive evolution showcases our commitment to excellence, innovation, and comprehensive client support. As a trusted partner, we are delivering not just solutions, but tailored strategies that empower our clients to thrive in the rapidly evolving landscape of technology.

- Ministry of Defence
- National Informatics Centre-MeitY
- National Informatics Centre Services Inc. – MeitY
- Indian Institute of Technology
- Indraprastha Institute of Technology Limited
- Bharat Electronics Limited
- Oil & Natural Gas Commission Limited
- Engineers India Limited
- Hindustan National Glass & Industries Limited & many more.

Recognizing the demand in the Indian market, Esconet introduced its brand, **HexaData**, specializing in high-performance Servers, Workstations, and storage systems. Additionally, Esconet's strategic collaboration with NVIDIA has resulted our growth in the Artificial Intelligence (AI) and Machine Learning (ML) domain, enhancing our servers and workstations.

In 2022, with a view to expand the services horizon, the promoters of Esconet established ZeaCloud Services Private Limited (Hereinafter refer as “ZeaCloud Services”) and later on in 2023 acquired ZeaCloud Services through a Share Swap arrangement as a wholly owned subsidiary. ZeaCloud Services, specializes in providing a comprehensive range of cloud-based services through their brand name **Availablous** to meet various business needs such as disaster recovery services, managed cloud services, private cloud, DaaS services.

Esconet provides a robust suit server solution meticulously crafted to cater to the diverse and evolving needs of enterprises. These solutions encompass cutting-edge hardware configurations, seamless networking, and secure storage options, providing a reliable foundation for businesses to build upon. In stride with the data-driven era, Esconet goes beyond conventional server services and integrates systematic machine learning tools and artificial intelligence into its portfolio.

Esconet provides a wide range of System Integration services that involves total IT solutions including hardware, network and software implementations. Considering customer's requirements Esconet also provide tailor-based services that shall



be aligned as per the operational requirement and objective of our respective client.

### About Hexadata

HexaData, a quality-oriented product line by Esconet, represents a conventional shift of Esconet's in computational power and performance. Besides serving customer needs in terms of servers, it also about integrating the latest NVIDIA GPGPU technology to create supercomputers compactly packaged. These machines are engineered to handle the most technical, data-intensive tasks, essentially bringing the capabilities of a supercomputer into a single unit.

Key Features of HexaData:

1. **Unmatched Computational Power:** HexaData servers and workstations push the boundaries of computational power, enabling high-speed data processing and addressing complex tasks.
2. **AI (Artificial Intelligence) and ML (Machine Learning) Optimization:** Leveraging NVIDIA GPGPU technology, HexaData is optimized for Artificial Intelligence and Machine Learning, providing an exceptional platform for AI/ML software development and execution.
3. **Advanced Graphics Workstations:** HexaData doesn't compromise on graphics performance, making it ideal for advanced graphics workstations, ensuring smooth rendering and visualization of complex data.
4. **Dedicated Data Storage Solutions:** HexaData specializes in high-capacity and high-throughput data storage solutions. These systems are designed around parallel file systems, enhancing efficiency and accessibility.
5. **Reliability and Enterprise-Grade Performance:** HexaData is built to provide enterprise-level reliability while seamlessly integrating exceptional computational power, ensuring a transformative tool for a range of industries.
6. **Optimized for Data Analytics:** Tailored to cater to industries where cutting-edge data analytics and high-performance computing capabilities are essential, HexaData facilitates advanced simulations and data analytics with ease.

The launch of the integration segment for Servers, Workstations, and Data Storage systems under the brand name HexaData in 2019 marked a significant milestone for Esconet Technologies. With a strong focus on specialising the creation of high-capacity servers and workstation, the collaboration with NVIDIA further solidifies Esconet's position at the forefront of technology, enabling the creation of hardware that truly meets the evolving demands of AI, ML, and advanced computing. HexaData represents a fusion of cutting-edge technology, innovation, and dedication to meeting the needs of modern industries.

In addition to our flagship HexaData line, Esconet Technologies offers an extensive range of IT Infrastructure Hardware tailored to meet diverse client demands and Software solutions by the name "AVAILABLOUS" (through its subsidiary i.e., ZeaCloud).

Our offerings includes a wide array of critical IT solutions:

1. **Servers and Graphics Workstations:**
  - High-performance servers and workstations optimized for computational power and advanced graphics processing.
2. **Comprehensive Data Storage Solutions:**
  - Scalable and efficient data storage solutions, including Software Defined Storage Systems, ensuring optimal management and utilization of storage resources.
3. **Virtualization Software:**
  - Virtualization solutions for Servers, Desktops, and Applications, enabling efficient resource utilization and flexibility in IT infrastructure.
4. **Backup and Disaster Recovery Solutions:**
  - Robust backup and disaster recovery solutions to ensure data protection, business continuity, and quick recovery in case of unexpected events.

**5. Data Centre and Access Networks:**

- Solutions for designing, implementing, and managing data centres and access networks to ensure a robust and efficient IT environment.

**6. Advanced Software Defined Networks:**

- Cutting-edge Software Defined Networking (SDN) solutions to enhance network management, agility, and scalability.

**7. Network Security Tools:**

- Hardware and software-based network security tools to safeguard against cyber threats and ensure a secure network infrastructure.

**8. Email Communication Systems:**

- Email communication systems with a focus on reliability and security, complemented by robust Email Security solutions to protect against email-based threats.

**9. Databases with High Availability:**

- Databases with a strong emphasis on High Availability (HA), ensuring continuous access to critical data and applications.

**10. Cutting-edge Log Management and Analytics Software:**

- Advanced log management and analytics software to efficiently collect, manage, and analyze logs for improved security and performance.

**Comprehensive Service Offerings/ After Sales Offerings**

**1. IT Hardware Installation & Configuration:**

- Proficient installation and configuration services for IT hardware, ensuring optimal performance and functionality.

**2. Deployment and Seamless Integration of Diverse IT Infrastructure Software:**

- Expert deployment and seamless integration services for a wide array of IT infrastructure software, tailored to the specific needs of our clients.

**3. Comprehensive Infrastructure Management & Monitoring:**

- End-to-end infrastructure management and proactive monitoring to ensure optimal performance, security, and reliability of the IT environment.

**4. Expertise in Private Cloud Setup and Management:**

- Specialized services for setting up and managing private cloud infrastructures, enabling efficient resource utilization and scalability.

**5. Reliable Annual Maintenance Services:**

- Reliable annual maintenance services to keep the IT infrastructure up to date, secure, and operating at peak performance throughout the year.

**6. Managed Backup and Disaster Recovery Solutions:**

- Managed backup and disaster recovery solutions to safeguard critical data and ensure rapid recovery in case of unforeseen events.

**7. Efficient Data Migration Services:**

- Streamlined data migration services to facilitate a seamless transition of data between systems or environments while ensuring data integrity and security.

#### 8. **Expert Consulting Services:**

- In-depth consulting services provided by our experts, offering valuable insights and recommendations to optimize IT strategies, improve efficiency, and address specific business needs.

At Esconet Technologies, we understand the importance of providing end-to-end services that encompass every stage of the IT journey. Our commitment to delivering outstanding service, coupled with our innovative product offerings, positions us as a trusted partner for businesses seeking reliable, efficient, and future-ready IT solutions.

#### **What is the need of Server in any business?**

Each server has its own significance among the various types of servers available in the market. However, the following are the top reasons every business, especially small businesses, needs a server:

1. **Storing and processing data:** Servers can be used to store large amounts of data, such as customer information, financial records, and other business-critical data. They can also be used to process this data, performing tasks such as running database queries or generating reports.
2. **Hosting websites and applications:** Servers can be used to host websites and applications, making them accessible to users over the internet. This can be especially important for businesses that rely on their website or applications to conduct business or engage with customers.
3. **Providing network services:** Servers can be used to provide network services, such as email, file sharing, and printing. This can allow employees to access these services from any location, as long as they have an internet connection.
4. **Facilitating communication:** Servers can be used to facilitate communication between employees, customers, and other stakeholders, such as through videoconferencing or instant messaging.
5. **Enhancing security:** Servers can be used to enhance security by storing sensitive data and controlling access to it. They can also be used to implement security measures such as firewalls and authentication protocols.

#### **Use of Artificial Intelligence (AI) and Machine Learning (ML)**

##### 1. **Automation**

This includes automating data pre-processing, feature engineering, model selection, hyperparameter tuning, model training, deployment, monitoring, and maintenance. By leveraging automation, AI and ML practitioners can improve efficiency, reduce manual efforts, enhance model performance, and accelerate the development and deployment of intelligent systems.

##### 2. **Marketing**

Artificial Intelligence (AI) and Machine Learning (ML) present powerful tools for enhancing customer targeting, optimizing campaigns, and generating leads effectively. ML algorithms have the capacity to analyze vast amounts of customer data, enabling the identification of potential high-value leads with remarkable precision. By leveraging Natural Language Processing (NLP), businesses can extract valuable insights from social media sentiment analysis, allowing for optimized social media campaigns that resonate with the target audience and drive engagement. Through these innovative technologies, businesses can refine their strategies, tailor their approach to customer preferences, and significantly improve overall marketing success.

In the modern business landscape, the integration of AI and ML is seamlessly facilitated by the pervasive influence of cloud computing. Cloud technology has revolutionized the way businesses approach AI and ML solutions, offering a streamlined and cost-effective avenue for their implementation. By leveraging the cloud, companies can efficiently access and utilize sophisticated AI and ML tools without the burden of managing intricate infrastructure. This accessibility empowers businesses to harness the potential of AI and ML, enabling enhanced decision-making, automation, and innovation while optimizing operational costs and resource utilization.

##### 3. **Scalability**

Cloud computing serves as the foundational infrastructure essential for scaling AI and ML workloads based on fluctuating demands. This flexibility enables businesses to effortlessly adjust their AI and ML capabilities, either ramping up or down computing resources as needed. Such adaptability ensures that organizations can efficiently align their technological resources with dynamic requirements, optimizing performance and cost-effectiveness in the rapidly evolving landscape of AI and ML.

#### 4. Access to AI and ML tools

Cloud providers like Amazon Web Services, Microsoft Azure, and Google Cloud Platform offer a wide range of AI and ML tools and services, such as machine learning algorithms, natural language processing, and computer vision. These tools are accessible to businesses of all sizes and can be integrated into existing workflows.

#### 5. Data Management

AI and ML revolutionize data management by automating tasks like data quality improvement, integration, and classification. They enhance data accuracy through error detection, filling missing values, and deduplication. AI algorithms bolster data security by identifying anomalies and potential breaches, ensuring sensitive data remains protected. Additionally, AI-driven search engines optimize data discovery by understanding user intent and behavior, providing highly relevant search results. Overall, AI and ML streamline data handling, making it more efficient, secure, and conducive to informed decision-making.

#### Where AI and ML can be used?

S.No	Type of Industry	Use of AI and ML
a)	<b>Healthcare</b>	AI and ML are used for medical image analysis, predictive analytics for disease diagnosis, drug discovery, personalized medicine, and healthcare operational efficiency
b)	<b>Finance</b>	In finance, AI and ML are applied for fraud detection, risk assessment, algorithmic trading, customer service through chatbots, and personalized financial advice
c)	<b>Marketing and Sales</b>	AI and ML optimize marketing strategies, customer segmentation, recommendation systems, sentiment analysis for customer feedback, and chatbots for customer engagement.
d)	<b>E-commerce</b>	AI and ML enhance product recommendations, sales forecasting, inventory management, and fraud detection in online transactions.
e)	<b>Autonomous Vehicles</b>	AI and ML power self-driving cars by processing data from sensors, making real-time driving decisions, and improving road safety.
f)	<b>Integration and Supply Chain</b>	AI and ML optimize production processes, predict maintenance needs, and enhance supply chain efficiency through demand forecasting and logistics optimization.
g)	<b>Cybersecurity</b>	AI and ML are employed for threat detection, anomaly detection, and pattern recognition to enhance cybersecurity measures and protect against cyber-attacks.
h)	<b>Education</b>	AI and ML aid in adaptive learning, automated grading, personalized learning paths, and educational content creation.
i)	<b>Environmental Monitoring</b>	AI and ML help analyze environmental data for climate modelling, natural disaster prediction, and optimizing resource utilization for sustainability.

## DESCRIPTIONS OF THE PRODUCTS WE PROVIDE

### 1. On the basis of Computer Systems

#### a) Super Computers

The Company from its own brand name, Hexadata, is providing the products like Super Computers. These Supercomputers represent a cutting-edge paradigm in high-performance computing, leveraging a powerful hybrid architecture that seamlessly integrates NVIDIA's GPGPUs with AMD/Intel CPUs. This fusion of leading technologies enables an unprecedented level of performance for both single-threaded and parallelized tasks, positioning these systems as exceptionally versatile across an array of critical domains including scientific research, data analytics, financial modeling, and media rendering. These Computers also provides high performance along with high reliability.



Traditionally, supercomputers have been characterized by their ability to perform high-precision calculations at extraordinary speeds, a metric quantified by the LINPACK benchmark. However, the advent of AI and ML workloads necessitates a paradigm shift towards mixed-precision computational capabilities, where throughput and parallel processing take precedence over single-threaded precision.

Each HexaData Server boasts:

- 8 x NVIDIA H100 SXM GPUs
- FP64 Tensor Core performance of 67 teraFLOPS per GPU
- TF32 Tensor Core performance of 989 teraFLOPS per GPU
- FP16 Tensor Core performance of 1979 teraFLOPS per GPU
- FP8 Tensor Core performance of almost 3958 teraFLOPS per GPU

In aggregate, a single HexaData Server can achieve:

- FP64 Tensor Core performance of 536 teraFLOPS
- TF32 Tensor Core performance of 7,912 teraFLOPS
- FP16 Tensor Core performance of almost 16 petaFLOPS
- FP8 Tensor Core performance of almost 32 petaFLOPS

#### Type of Supercomputers we have offered to our clients

S.No	Model No.	Specifications of Super Computer
1.	<u>Hexadata GPU Server: GKGAN1412A0010</u>	<ul style="list-style-type: none"> <li>• 4U AMD Chasis with Mainboard Supports 10 GPU, Dual 10 G, Dual Gbe-1.00</li> <li>• AMD Rome EPYC 7282 2.8 GHz 16-Core Processor</li> <li>• Micron 32GB DDR4 Rdimmm 3200 Mhz Memory</li> <li>• WD 4TB Ultrastar DC H310 7200 RPM SATA Enterprise HDD</li> </ul>
2.	<u>Hexadata Workstation HD- SW200A Version: ROME: G2FSYR007332, G2FSYR007331</u>	<ul style="list-style-type: none"> <li>• 7763-AMD EPYC &amp; 7764 Core Model</li> <li>• 3U Active Solution for AMD EPYC SP3-TR4</li> <li>• AsrockRack Server Board AMD EPYC 16DDR4 4SATA3 EEB Workstation Board</li> </ul>

		<ul style="list-style-type: none"> <li>• Micron 64GB DDR4 3200MHz ECC RDIMM Memory</li> </ul>
3.	<u>Hexadata Compute System : FCS0R8000344 , FCS0R8000343 , FCS0R8000338</u>	<ul style="list-style-type: none"> <li>• 7282-AMD Rome EPYC 7282 2.8GHz 16-Core Processor</li> <li>• 4U 10 GPU Server System/ Dual EPYC/ 10G/ 32DIMM Barebone</li> <li>• Crucial MX-500 series 1TB GB Series 2.5 inch SATA3 Solid State Drive</li> <li>• Seagate Exos X20 20 TB Hard Drive</li> </ul>
4.	<u>Hexadata: H100 DGX</u>	<ul style="list-style-type: none"> <li>• AMD EPYC 9654, Base Clock 2.4Ghz, 384MB L3 Cache, 96C/192T, 360W</li> <li>• G593-ZD2 (rev. AAX1)</li> <li>• HPC Server - 5U DP SXM5 H100 8-GPU Server System   Application: AI , AI Training , AI Inference &amp; HPC</li> <li>• Pre-Install with NVIDIA HGX™ H100 with 8 x SXM5 GPUs</li> </ul>

## b) Servers

A server is a computer program or device that provides a service to another computer program and its user, also known as the client. In a data center, the physical computer that a server program runs on is also frequently referred to as a server.

Under the company's own brand, HexaData, the company manufactures high-performance servers engineered to tackle the most demanding workloads. These servers are robust, reliable, and packed with the latest multi-core processors, high-speed memory, blazing fast latest NVMe data storage and cutting-edge cooling systems for optimal performance.



We also provide a selection of servers from industry giants like Dell EMC, Hewlett Packard Enterprise, and Cisco. This allows us to offer a full spectrum of options to our clients, from customized HexaData servers to trusted industry-standard solutions, ensuring that every unique requirement is met. We offer servers designed for high-load applications such as ERP and CRM systems, where speed, reliability, and data integrity are paramount. We understand that modern businesses run on data and analytics, and our servers are built to handle these demanding workloads effortlessly.

In addition to traditional server solutions, we are pioneering in the field of NVIDIA GPGPU-based servers designed for modern codes in Artificial Intelligence (AI) and Machine Learning (ML). These specialized servers provide the computational power needed to handle complex algorithms and large datasets, pushing the boundaries of what is possible in data science and analytics.

The company offers various types of Servers under its own brandname Hexadata which are mentioned below:

- High Density Servers
- Pedestal Servers
- Rackmount Servers
- Multi GPGPU Servers
- Liquid Cooling Server
- Hexadata Mini

Following are the types of servers along with their specifications we offered to the Client so far:



### 1. High Density Servers

High-density servers equipped with AI (Artificial Intelligence) and ML (Machine Learning) capabilities represent a technological marvel, ushering in a new era of computational power and data-driven innovation. These servers are meticulously engineered to




handle the intense computational demands of AI and ML workloads, offering multiple high-performance CPUs, large memory capacities, and support for specialized hardware accelerators like GPUs. They excel at managing massive datasets and complex machine learning models, while their scalable design ensures organizations can adapt to evolving computational needs. With optimized software stacks and robust remote management features, high-density servers play a pivotal role in empowering businesses and researchers to unlock the full potential of AI and ML for a wide range of applications, from image recognition to natural language processing and beyond.

At our company, Esconet, we take pride in our ability to deliver tailored solutions for our clients by customizing high-density servers to precisely match their unique needs. We understand that the requirements for AI and ML workloads can vary widely, and one size does not fit all. Our approach involves a comprehensive assessment of your specific computational demands, allowing us to select the right combination of components, from high-performance CPUs and GPUs to ample memory and storage solutions. This customized approach ensures that the server infrastructure is perfectly aligned with the intricacies of AI and ML tasks. The result is a high-density server that not only optimizes performance but also enhances efficiency, scalability, and reliability, empowering the organization to harness the full potential of artificial intelligence and machine learning for the distinct applications and objectives.




**Types of High Density Servers we offers if approach by our Customers and may also be modified:**



S.No	Model No. of High Density Server	Specifications of High Density Server
1.	<b>HD-H262-PC1 Ver: Gen001   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• 3rd Gen. Intel® Xeon® Scalable Processors</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• Supports Intel® Optane™ Persistent Memory 200 series</li> <li>• Dual ROM Architecture supported</li> <li>• Intel® C621A Express Chipset</li> <li>• 8 x 10Gb/s BASE-T LAN ports (Intel® X710-AT2)</li> <li>• 2200W 80 PLUS Platinum redundant PSU</li> </ul>
2.	<b>HD-H262-PC0 Ver: Gen001   High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• 3rd Gen. Intel® Xeon® Scalable Processors</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• Supports Intel® Optane™ Persistent Memory 200 series</li> <li>• Dual ROM Architecture supported</li> <li>• Intel® C621A Express Chipset</li> <li>• 8 x 10Gb/s BASE-T LAN ports (Intel® X710-AT2)</li> <li>• 2200W 80 PLUS Platinum redundant PSU</li> </ul>



3.	<b>HD-H262-NO0 Ver:001   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• 3rd Gen. Intel® Xeon® Scalable Processors</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• Supports Intel® Optane™ Persistent Memory 200 series</li> <li>• Dual ROM Architecture supported</li> <li>• Intel® C621A Express Chipset</li> <li>• 8 x 10Gb/s BASE-T LAN ports (Intel® X710-AT2)</li> <li>• 2200W 80 PLUS Platinum redundant PS</li> </ul>
4.	<b>HD-H263-S63-Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• Liquid cooling solution</li> <li>• 2U 4-node rear access server system</li> <li>• 4th Gen. Intel® Xeon® Scalable Processors</li> <li>• Intel® Xeon® CPU Max Series</li> <li>• Dual processors, LGA4677</li> <li>• 8-Channel RDIMM DDR5 per processor, 16 x DIMMs</li> <li>• Supports Intel® Optane™ Persistent Memory 300 series</li> <li>• Dual ROM Architecture supported</li> <li>• 4 x Dedicated management ports</li> <li>• 4 x Low profile PCIe Gen5 x16 expansion slots</li> <li>• 4 x OCP 3.0 Gen5 x16 mezzanine slots</li> <li>• Dual 3000W (240V) 80 PLUS Titanium redundant power supply</li> </ul>
5.	<b>HD-H262-Z6A Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• Hardware-level root of trust support</li> <li>• 2U - 4 nodes rear access server system</li> <li>• Dual AMD EPYC™ 7003 series processor family</li> <li>• 8 x LGA 4094 sockets</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• 8 x 1Gb/s LAN ports (Intel® I350-AM2)</li> <li>• 4 x Dedicated management ports</li> <li>• 2200W (240V) 80 PLUS Platinum redundant PSU</li> </ul>



6.	<b>HD-H262-Z66 Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• Dual AMD EPYC™ 7003 series processor family</li> <li>• 8 x LGA 4094 sockets</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• 8 x 1Gb/s LAN ports (Intel® I350-AM2)</li> <li>• 4 x Dedicated management ports</li> <li>• 2200W (240V) 80 PLUS Platinum redundant PSU</li> </ul>
7.	<b>HD-H262-Z63 Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• Dual AMD EPYC™ 7003 series processor family</li> <li>• 8 x LGA 4094 sockets</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• 8 x 1Gb/s LAN ports (Intel® I350-AM2)</li> <li>• 4 x Dedicated management ports</li> <li>• 2200W (240V) 80 PLUS Platinum redundant PSU</li> </ul>
8.	<b>HD-H262-Z62 Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• Dual AMD EPYC™ 7003 series processor family</li> <li>• 8 x LGA 4094 sockets</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• 8 x 1Gb/s LAN ports (Intel® I350-AM2)</li> <li>• 4 x Dedicated management ports</li> <li>• 2200W (240V) 80 PLUS Platinum redundant PSU</li> </ul>

9.	<b>HD-H262-Z61 Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U - 4 nodes rear access server system</li> <li>• Dual AMD EPYC™ 7003 series processor family</li> <li>• 8 x LGA 4094 sockets</li> <li>• 8-Channel RDIMM/LRDIMM DDR4 per processor, 64 x DIMMs</li> <li>• 8 x 1Gb/s LAN ports (Intel® I350-AM2)</li> <li>• 4 x Dedicated management ports</li> <li>• 2200W (240V) 80 PLUS Platinum redundant PSU</li> </ul>
10.	<b>HD-H273-Z82 Ver: Gen002   2U High Density Server</b> 	<ul style="list-style-type: none"> <li>• 2U 4-node rear access server system</li> <li>• AMD EPYC™ 9004 series processor</li> <li>• Dual processors per node, 5nm technology</li> <li>• 12-Channel RDIMM DDR5 per processor, 96 x DIMMs</li> <li>• Dual ROM Architecture supported</li> <li>• 8 x 1Gb/s LAN ports (Intel® I350-AM2)</li> <li>• 4 x Dedicated management ports</li> <li>• Dual 3000W (240V) 80 PLUS Titanium redundant power supply</li> </ul>

## 2. Pedestal Servers

A pedestal server, also known as a tower server, is a type of computer server that is designed to be housed in a standalone enclosure resembling a tower or pedestal. These servers are typically larger and heavier than desktop computers and are used in business environments to provide centralized computing resources and services.

These servers are a suitable choice for businesses that require a dedicated server for their operations and need a server that is more robust and scalable than a typical desktop computer. They offer reliability, performance, and flexibility in configuring and managing essential computing services within an organization.

### Types of Pedestal Servers we offered to our client recently:

We understand that every organisation has its own business models and the needs of every organisation differ from each other. Following are the Pedestal Server which were made by Esconet for its clients as per their needs:

S.No	Model No. of Pedestal Servers	Specifications
1.	<b><u>HD-SW200 Version: CLX-002G</u></b>	<ul style="list-style-type: none"> <li>• Intel Xeon Silver 4216 2.1GHz - 3.2GHz Turbo 22MB 2400MHz DDR4 Processor</li> <li>• 3U Active Aluminum W/Heatpipe Cooler For LGA 3647 Narrow ILM</li> <li>• Micron 64GB DDR4 3200MHz ECC RDIMM Memory</li> </ul>
2.	<b><u>HD-SW120 Version: ILX</u></b>	<ul style="list-style-type: none"> <li>• Intel® Xeon® Silver 4314 Processor 16-Core/24MB CPU</li> </ul>

		<ul style="list-style-type: none"> <li>Single CPU, C621A, 8DDR4, 13 SATA, Dual Gbe, RMM</li> <li>Micron 64GB DDR4- 3200 RDIMM 2Rx4 CL22 RAM</li> </ul>
3.	<b><u>HD-SW200 Version: CLX-002G</u></b>	<ul style="list-style-type: none"> <li>Intel Xeon 6226R 16-Core (2.90 GHz, 22 M, FC-LGA3647) Processor</li> <li>3U Active Aluminum W/Heatpipe Cooler For LGA 3647 Narrow ILM</li> <li>Tower Case/ 4U, Support 8 Fixed Drive, 6 Fans, Bazel, W/O PSU</li> </ul>
4.	<b><u>HD-SW180</u></b>	<ul style="list-style-type: none"> <li>Gigabyte Server Mainboard for Dual Intel CLX, Dual 10 &amp; Dual 1 Gbe, 12DIMM</li> <li>Intel Xeon 6226R 16-Core (2.90 GHz, 22 M, FC-LGA3647) Processor</li> <li>HBA Card 9400-16i Internal 16 Port Card</li> </ul>
5.	<b><u>HD-SW120 Ver:CLX-02</u></b>	<ul style="list-style-type: none"> <li>Intel Xeon Silver 4208 8- Core, 2.10 GHz, 11M, FC-LGA3647 Processor</li> <li>2U Active Aluminum W/Heatpipe Cooler For LGA 3647 Square ILM</li> <li>Intel S2600STBR Server Board Motherboard</li> </ul>

### 3. **Rackmount Servers**

Rackmount servers, often referred to as rack servers, are purpose-built computer servers designed to seamlessly fit within standardized equipment racks or enclosures. These racks adhere to uniform dimensions, enabling optimal space utilization and streamlined organization in data centers, server rooms, or other IT facilities.

#### **Types of Rackmount Servers we offered to our client recently:**

Following are the Rackmount Server which were made by Esconet for its clients as per their needs:

S.No	Model No. of Rackmount Server	Description
1.	<b><u>Hexadata DP AMD EPYC Server 2U Rackmount SKU : HDR-RM2308AR</u></b>	<ul style="list-style-type: none"> <li>AMD EPYC™ 7713 64 Core Model</li> <li>2U Active Solution for AMD EPYC SP3-TR4</li> <li>Gigabyte AMD EPYC Dual Socket Mainboard</li> <li>Micron 64GB DDR4-3200 RDIMM 2Rx4 CL22 RAM</li> </ul>
2.	<b><u>Hexadata UP AMD EPYC Server 2U Rackmount SKU : HD-SW120</u></b>	<ul style="list-style-type: none"> <li>AMD EPYC 7543 32 Core 2.8 GHz 256MB Cache</li> <li>2U Active Solution for AMD EPYC SP3-TR4</li> <li>Micron 32GB DDR4 Rdim 3200 Mhz Memory</li> <li>Nvidia Quadro RTX A5000 24GB DDR6 Graphic Card</li> </ul>
3.	<b><u>2U Rackmount DP ILX Server 5318Y SKU : R238612IR</u></b>	<ul style="list-style-type: none"> <li>Intel® Xeon® 5318Y Processor</li> <li>Gigabyte Server Mainboard for Dual</li> <li>Intel Ice Lake, Dual 10Gbe, 16DIMM</li> <li>Micron 32GB DDR4 Rdim 3200 Mhz Memory</li> </ul>

4.	<b><u>Hexadata 2U Rackmount Server SKU : HDR238612IR</u></b>	<ul style="list-style-type: none"> <li>• Intel Xeon 6226R 16-Core (2.90 GHz, 22 M, FC-LGA3647) Processor</li> <li>• Gigabyte Server Mainboard for Dual Intel CLX, Dual 10 &amp; Dual 1 Gbe, 12DIMM</li> <li>• 2U Active Aluminum W/Heatpipe Cooler For LGA 3647 Narrow ILM</li> <li>• Micron 32GB DDR4 Rdim 3200 Mhz Memory -</li> </ul>
5.	<b><u>2U Rackmount Server SKU : HDR-238621IR</u></b>	<ul style="list-style-type: none"> <li>• Intel® Xeon® Gold 6326 Processor 24M Cache, 2.90 GHz</li> <li>• Single CPU, C621A, 8DDR4, 13 SATA, Dual Gbe, RMM</li> <li>• 2U Active Cooler For Icelake &amp; Cooperlake</li> <li>• Micron 32GB DDR4 Rdim 3200 Mhz Memory</li> </ul>

We also offered various server to our clients according to the needs and requirements of our Clients. For more details you can refer to one of our website i.e., [www.hexadata.in](http://www.hexadata.in) .

#### 4. **Multi GPGPU Servers**

Multi-GPU servers, often referred to as GPU servers or GPU nodes, represent a specialized class of server systems specifically designed to harness the immense parallel processing capabilities offered by multiple Graphics Processing Units (GPUs). These servers are meticulously engineered to handle highly parallelizable and computationally intensive workloads across a spectrum of domains, making them ideal for various applications and industries.

##### **Types of Multi GPGPU Servers we have offered to our client so far:**

S.No	Model No. of Multi-GPGPU Servers	Description
1.	<b><u>Hexadata 4U Rackmount GPU system 10GPU Support SKU : HD-SW110 Ver: MILAN-10</u></b>	<ul style="list-style-type: none"> <li>• AMD Rome EPYC 7282 2.8GHz 16-Core Processor</li> <li>• 4U Rackmount / 12 HP/ 32DIMM/ Dual AMD EPYC/ Dual 10Gbe/ 10GPU Support</li> <li>• HBA PCI-Express 3.0 SATA / SAS 8-Port SAS3 12Gb/s LSI 9300-8i</li> <li>• HDD Seagate SAS 20TB Constellation</li> <li>• SAS HBA PCI-Express 3.0 SATA / SAS 8-Port SAS3 12Gb/s LSI 9300-8i</li> </ul>
2.	<b><u>Hexadata Workstation Single Socket SKU : HD-SW110 Ver: ILX-001</u></b>	<ul style="list-style-type: none"> <li>• Intel® Xeon® Silver 4314 Processor 16-Core/24MB CPU</li> <li>• Single CPU, C621A, 8DDR4, 13 SATA, Dual Gbe, RMM</li> <li>• 3U Active Cooler For Icelake &amp; Cooperlake</li> <li>• Micron 32GB DDR4-3200MHz RDIMM</li> </ul>

## 5. Workstation

Workstation, a high-performance computer system that is basically designed for a single user and has advanced graphics capabilities or large storage capacity, and a powerful central processing unit.

With cutting-edge GPUs from NVIDIA, our company is dedicated to providing unparalleled performance across a multitude of applications. Our company's workstations excel not only in graphics-intensive tasks like image editing, video editing, and 3D modeling & rendering but also in high-computational workloads for AI and ML.

The company offers the following types of Workstation under its brandname "Hexdata".



### i. Pedestal Workstations

A pedestal workstation typically refers to a type of computer workstation setup where the computer components are housed in a pedestal-like cabinet or enclosure, often located underneath or adjacent to the desk. This design allows for a more organized and compact workstation by keeping the computer tower, cables, and other related equipment out of sight and off the desk surface.

These workstations are common in office settings, home offices, and various professional environments where a balance between functionality, organization, and aesthetics is sought for an efficient and pleasant workspace.

#### Types of Pedestal Workstations we have offered to our clients:

S.No	Model No. of Pedestal Workstations	Description
1.	<b><u>Hexadata GPU Server Single Socket ROME SKU : HD-SW100 Ver: A00</u></b>	<ul style="list-style-type: none"> <li>AsrockRack Server Board AMD EPYC 7002 ATX Workstation Board</li> <li>AMD EPYC 7543 32 Core 2.8GHz 256MB Cache</li> <li>3U Active Solution for AMD EPYC SP3-TR4</li> <li>Micron 64GB DDR4 3200MHz ECC RDIMM Memory</li> </ul>
2.	<b><u>4U Convertible to Tower Workstation SKU : HD-SW200A Version : Rome/ 7343</u></b>	<ul style="list-style-type: none"> <li>AMD Rome EPYC 7282 2.8GHz 16-Core Processor</li> <li>3U Active Solution for AMD EPYC SP3-TR4</li> <li>Gigabyte AMD EPYC Dual Socket Mainboard</li> <li>Samsung 1x 32GB DDR4- 3200 ECR</li> </ul>
3.	<b><u>Storage Server 36 Bay 4U Rackmount SKU : HD-SW180 (Ver : CLX-DP)</u></b>	<ul style="list-style-type: none"> <li>Gigabyte Server Mainboard for Dual Intel CLX, Dual 10 &amp; Dual 1 Gbe, 12DIMM</li> <li>Samsung 1x 32GB DDR4- 3200 ECR</li> <li>Intel Xeon 6226R 16-Core (2.90 GHz, 22 M, FC-LGA3647) Processor</li> <li>HBA Card 9400-16i Internal 16 Port Card</li> </ul>
4.	<b><u>Pedestal Dual Processor Based Server Xeon Scalable Gen 3 SKU : HD-SW200 Version: ILX-002</u></b>	<ul style="list-style-type: none"> <li>Intel® Xeon® Gold 6326 Processor 24M Cache, 2.90 GHz</li> <li>3U Active Cooler For Icelake &amp; Cooperlake</li> <li>SR11369 Tower Case/ 4U, Support 8 Fixed Drive, 6 Fans, Bazel, W/O PSU</li> <li>SUPERMICRO Server Motherboard</li> </ul>
5.	<b><u>Pedestal Workstation AMD EPYC Single Socket SKU : HD-SW120 Ver:ROME/7713</u></b>	<ul style="list-style-type: none"> <li>3U Active Solution for AMD EPYC SP3-TR4</li> <li>AMD EPYC™ 7713 64 Core Model</li> <li>AsrockRack Server Board AMD EPYC 7002 ATX Workstation Board</li> <li>Chenbro Tower Chassis for EATX/ATX</li> </ul>

		<ul style="list-style-type: none"> <li>• Server MB</li> </ul>
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## ii. Rackmount Workstations

A rackmount workstation is a type of computer workstation that is designed to be mounted in a standard equipment rack or enclosure. These racks typically have standardized dimensions, allowing for easy installation and organization of multiple devices in a data center, server room, or other professional settings. Rackmount workstations are often used in environments where space optimization, centralized management, and scalability are important.

Rackmount workstations are a practical solution for businesses and organizations that require a compact, organized, and scalable computing setup, especially in environments where multiple servers or computing devices need to be housed and managed efficiently.

### Types of Rackmount Workstations we have offered to our clients:

S.No	Model No. of Rackmount Workstations	Description
1.	<u>Hexadata Server System SKU : HD-SW200 Ver: ROME</u>	<ul style="list-style-type: none"> <li>• AMD Rome EPYC 7282 2.8GHz 16-Core Processor</li> <li>• 3U Active Solution for AMD EPYC SP3-TR4</li> <li>• AsrockRack Server Board AMD EPYC 16DDR4 4SATA3 EEB Workstation Board</li> <li>• Micron 64GB DDR4 3200MHz ECC RDIMM Memory</li> <li>• Tower Server Chassis W/ 0+1 2000W PSU, 11 Slot SAS HP BP</li> </ul>
2.	<u>Hexadata GPU Server Single Socket ROME SKU : HD-SW100 Ver: A00</u>	<ul style="list-style-type: none"> <li>• AsrockRack Server Board AMD EPYC 7002 ATX Workstation Board</li> <li>• AMD EPYC 7543 32 Core 2.8GHz 256MB Cache</li> <li>• 3U Active Solution for AMD EPYC SP3-TR4</li> <li>• Micron 64GB DDR4 3200MHz ECC RDIMM Memory</li> </ul>
3.	<u>4U Rackmount Workstation SKU : HDR-B560-4U/10400</u>	<ul style="list-style-type: none"> <li>• Intel Core i5 10400 Processor (12M Cache, up to 4.30 GHz)</li> <li>• MSI B560M PRO-VDH WiFi Micro- ATX Gaming Motherboard</li> <li>• 16 GB Crucial Ram Ddr 4 2666MHZ</li> <li>• Crucial P2 500GB NAND NVMe PCIe M.2 SSD</li> </ul>
4.	<u>Hexadata GPU Server Single Socket ROME SKU : HD-SW100 Ver: A00</u>	<ul style="list-style-type: none"> <li>• AsrockRack Server Board AMD EPYC 7002 ATX Workstation Board</li> <li>• AMD EPYC 7543 32 Core 2.8GHz 256MB Cache</li> <li>• 3U Active Solution for AMD EPYC SP3-TR4</li> <li>• Micron 64GB DDR4- 3200 RDIMM 2Rx4 CL22 RAM</li> <li>• WD SN770 1TB SSD</li> </ul>
5.	<u>Tower Workstation Pedestal/ 4U Rackmount AMD EPYC SKU : HD-SW100/ 7282-SOC</u>	<ul style="list-style-type: none"> <li>• AMD Rome EPYC 7282 2.8GHz 16-Core Processor</li> <li>• AsrockRack Server Board AMD EPYC 7002 ATX Workstation Board</li> <li>• 3U Active Solution for AMD EPYC SP3-TR4</li> <li>• Samsung 960GB 2.5in SATA QLC 6G</li> </ul>

## 2. On the basis of Data Storage and Management

### a) Data Storage Solutions

Data storage is the recording (storing) of information (data) in a storage medium. Handwriting, phonographic recording, magnetic tape, and optical discs are all examples of storage media. Biological molecules such as RNA and DNA are



considered by some as data storage. Recording may be accomplished with virtually any form of energy. Electronic data storage requires electrical power to store and retrieve data.

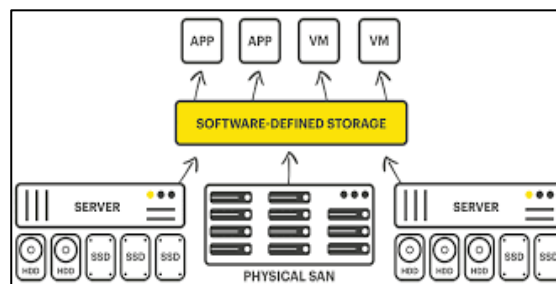
We understand that data is the lifeblood of the business, the foundation upon which all other activities are built. With over a decade of expertise in handling Data Storage systems, we specialize in petabyte-scale data migrations across various platforms and storage devices, ensuring minimal inconvenience to users.

Esconet provides Tailor based Storage Solutions as per the requirements of our client. We understand the need of our customer and accordingly delivers the best suited network access protocols for specific environment.

### Types of Data Storage Solutions we provide

- **Software-Defined Storage**

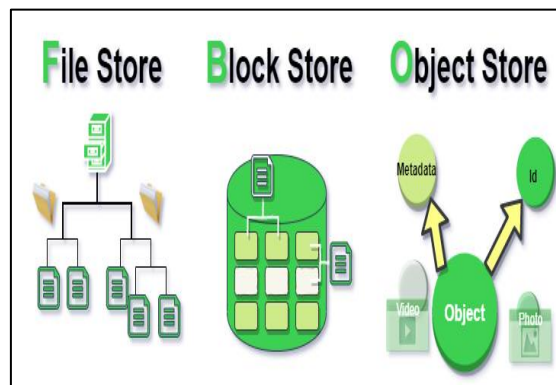
Software-defined storage (SDS) is a storage architecture that separates storage software from its hardware. Unlike traditional network-attached storage (NAS) or storage area network (SAN) systems, SDS is generally designed to perform on any industry-standard or x86 system, removing the software's dependence on proprietary hardware.



- **File and Object Storage**

File storage is a traditional method of storing and organizing data, where information is stored in a hierarchical structure of directories and files. Each file is assigned a unique name and can contain any type of data, such as text, images, videos, and more. The file system organizes these files into folders, enabling users to easily navigate and access the stored data.

Object storage is a newer approach to data storage that organizes data as discrete units called objects. Each object contains the data itself, along with metadata (e.g., file name, type, size, creation date), stored as a unique identifier within a flat namespace.



Esconet specializes in deploying cutting-edge protocols for file and object storage applications. Our expertise encompasses renowned protocols such as NFS, SMB, and S3. Additionally, we excel in implementing systems built on parallel file systems, achieving exceptional throughputs exceeding an impressive 40 gigabytes per second.

### **b) Data Backup Solutions**

Data backup refers to the process of creating copies of important files, documents, or other digital information to protect against accidental deletion, hardware failure, data corruption, cyber-attacks, or other unforeseen events that could result in data loss. The purpose of data backup is to ensure that critical information can be restored and accessed in the event of a disaster or data loss event.

Having a robust data backup strategy is crucial for both individuals and organizations to safeguard their important data and ensure business continuity in case of data loss. It's important to regularly test backups, ensure they are up to date, and have a disaster recovery plan in place to quickly restore data when needed.



## Key Features of our Backup Solutions

- **Swift Backup for Large Data Sets** Efficiently safeguard massive volumes of data with minimal disruption to your business operations.
- **High-Speed WAN Backups** Leverage technologies for lightning-fast backups over wide area networks, securing your remote locations.
- **Application-Aware Backups** From Active Directory and databases to specialized software like SAP, our backup solutions are engineered to offer all-encompassing protection.
- **Instant Restores for Essential Applications** Downtime isn't an option. The rapid restore and instant restore functionalities offered by our solutions are optimized for mission-critical applications.
- **Robust Monitoring and Reporting** Gain actionable insights through user-friendly dashboards to make data-driven decisions.
- **Automated Backup Validation** Rely on the automated testing capabilities for backup data, complete with compliance-ready reports verifying restorability.

### c) Automated Disaster Recovery Solutions

Automated Disaster Recovery Solutions (ADR) refer to technologies and processes that automate the recovery of IT systems, data, and applications after a disaster or disruptive event. These solutions are essential for ensuring business continuity and minimizing downtime in the event of a natural disaster, cyberattack, hardware failure, or any other disruptive incident.

By automating the disaster recovery process, these solutions enable businesses to restore operations quickly, minimize data loss, and maintain business continuity, ultimately reducing the impact of disasters on the organization.

## COMPONENTS USED IN SERVERS

The key components used in our operations assemblies using surface mount technology, chassis, microprocessors, hard disk drives, dynamic RAM, Network cards, RAID Controllers, Network Interface cards, HBA, GPUs and Solid State Drives. We have a robust supplier network which includes vendors, in India and overseas. We also rely on imports of certain components such as chassis, PCB, memory, Solid State Disk from overseas vendors. We have comprehensive documented procedures for vendor selection and certification. We also conduct periodic audits to ensure compliance with our quality standards and specifications.

## OUR SERVICES AND THE SOLUTIONS WE PROVIDE

Our company, operating through its wholly owned subsidiary, ZeaCloud Services Private Limited, specializes in providing a comprehensive range of cloud-based services to meet various business needs which includes below mentioned services but not limited to the following:

- **Disaster Recovery as a Service**

Disaster recovery as a service (DRaaS) is a cloud computing service model offered by third-party vendors that provides failover in the event of a natural catastrophe, power outage or other type of business disruption.

DRaaS offers an off-site disaster recovery (DR) capability that lets customers avoid the cost of maintaining secondary data centers. The approach has opened DR to organizations that wouldn't have been able to afford such a capability in the past.

DRaaS is useful for the following types of disasters:

- Power outages
- Equipment failures
- Cyber attacks
- Fire Disaster





- Natural Disasters such as floods, hurricanes or earthquakes

ZeaCloud's Disaster Recovery as a Service (DRaaS) comprises dependable and trusted disaster recovery solutions that support almost all applications & workload cases, delivering an affordable and effective data replication service to keep the business up and running at all times.

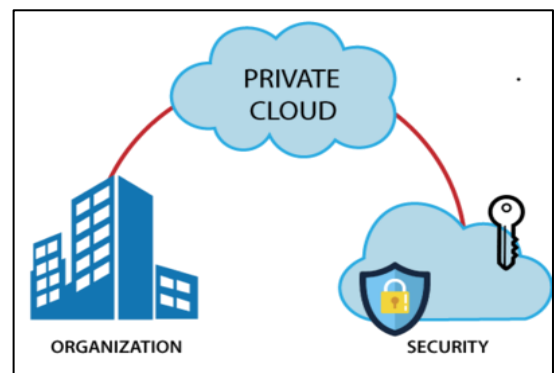
We help the clients cloud systems stay resilient to any business disruption caused by unpredictable & sudden natural catastrophes like earthquakes, fires, floods, storms, etc. Disaster Recovery as a Service is an essential & proactive critical business plan inclusion to ensure that no natural calamity compromises your core operations and efficiencies.

A robust DRaaS solution not only ensures basic business continuity and efficiency in processes like billing and financial management, but also seamless daily operations in industry-specific functions such B2C retail and e-commerce, or healthcare. 24X7 data availability is extremely crucial in healthcare operations where access to patient data is essential to administering timely, life-saving treatments. We can also offers and delivers tailored, efficient, and cost-effective solutions for any industry or vertical.

- **Private Cloud**

Private Clouds are cloud environments solely dedicated to the end user, usually within the user's firewall. Although private clouds traditionally ran on-premise, organizations are now building private clouds on rented, vendor-owned data centers located off-premise. All clouds become private clouds when the underlying IT infrastructure is dedicated to a single customer with completely isolated access.

Our Private Cloud solutions offer a combination of the security and control of single-tenancy cloud environment that you need for mission-critical systems while also delivering the economic viability and resiliency of public cloud. Our Private Cloud solutions are designed to meet the needs of different enterprise workloads, such as core banking, ERP and other business applications.

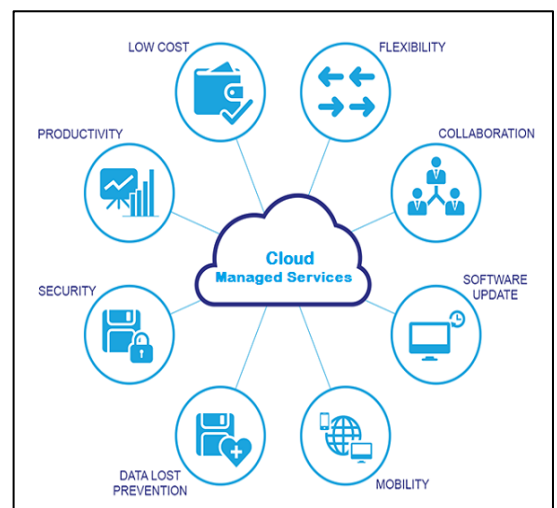


- **Managed Cloud Services**

Managed cloud services are the partial or complete management and control of a client's cloud platform, including migration, maintenance and optimization. By using a managed cloud service provider, a business can ensure its cloud resources run efficiently. Outsourcing cloud management also allows businesses to avoid new hiring and training costs.

Managed cloud services can provide private, public and hybrid cloud environments. Working with a managed cloud services provider is a collaborative process. To determine the best cloud resources for the user's IT infrastructure, the managed cloud services vendor evaluates the user's applications and data. Then, they'll create a custom plan detailing the steps to build and run an optimized cloud environment.

ZeaCloud Services provide a comprehensive cloud management service to meet the need of today's modern enterprise. As all businesses are not the same, their needs also differ and hence, their cloud management services and strategies must be adaptable and customizable.



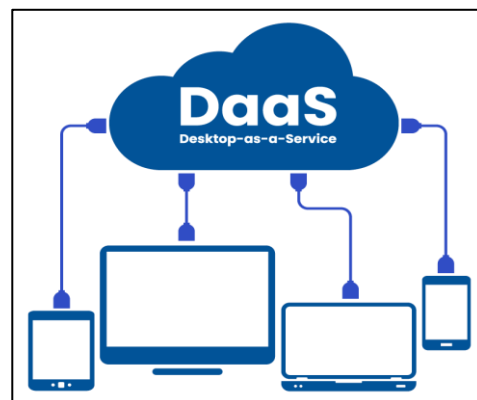
As a managed service provider for public cloud, ZeaCloud® offers extensive customizations to ensure scalability and seamless deployment of cloud computing capabilities through an integrated approach:

- Rapid cloud deployments configured and tailored to your business needs
- Enhanced compliance and security features
- Scalability and agility with pay-as-you-go models
- Continuous guidance from planning cloud infrastructure strategies to executing them
- Business continuity as a service with ease in dealing with heavy workloads

- **Desktop as a Service**

Desktop as a Service (DaaS) is a cloud computing offering where a service provider delivers virtual desktops to end users over the Internet, licensed with a per-user subscription. The provider takes care of backend management for small businesses that find creating their own virtual desktop infrastructure to be too expensive or resource-consuming. This management typically includes maintenance, backup, updates, and data storage. Cloud service providers may also handle security and applications for the desktop, or users may manage these service aspects individually.

ZeaCloud's Desktop As A Service (DaaS) brings a fully managed cloud desktop so that the organization can support multiple devices easily, especially to keep up with the work-from-home and remote productivity needs of the time.



## **SERVICES COVERED UNDER PRIVATE CLOUD AND PUBLIC CLOUD SERVICES**

The details of services provided by the Company under private and public cloud services are as follows:

### **Private Cloud Services**

ZeaCloud Services provides the following services under Private Cloud Services:

- Infrastructure-as-a-Service (IaaS),
- Backup-as-a-Service (BaaS),
- Disaster Recovery-as-a-Service (DRaaS),
- Software-as-a-Service (SaaS),
- Desktop-as-a-Service (DaaS)

### **Public Cloud Services**

In case of providing the Public Cloud Services, ZeaCloud only provides Infrastructure-as-a-Service (IaaS).

The services related to Public Cloud are the services rendered by other Cloud Service Providers like AWS, Microsoft Azure.

We are also authorized to use their services and resell it to the end-user by marking up a reasonable profit margin and additionally charging for managed services.

Zeacloud Services procures physical datacenter space which is usually termed as rack-space in the industry from public Datacenter owners and collocates its own stack of servers, storage, network and software in these locations and also procures internet bandwidth from NTT Communications India Network Services Private Limited and NTT Global Data Centers & Cloud Infrastructure India Private Limited respectively and uses the same to deliver cloud services. All the IT hardware and software required to deliver the private cloud services, Backup-as-a-Service and DR-as-a-Service is owned by Zeacloud Services Pvt. Ltd.

## **OUR TECHNOLOGY PARTNERS**

Esconet Technologies is unwavering in its commitment to fostering enduring partnerships as the cornerstone of delivering resilient and dependable IT Infrastructure solutions. In our pursuit to empower our clientele with the utmost sophisticated and reliable

technologies, we have strategically aligned ourselves with industry-leading technology partners. These strategic alliances form the bedrock of our ability to engineer customer-centric solutions that transcend expectations.

Our synergistic collaborations with foremost technology leaders equip us with the capability to offer an all-encompassing portfolio of products and services. This comprehensive array spans across critical domains such as servers, cutting-edge data storage systems, and advanced data management solutions. Furthermore, our expertise extends to providing networking solutions, cloud computing services, and robust cybersecurity protocols.

At Esconet Technologies, we recognize that the strength of our partnerships directly correlates with our capacity to deliver innovative and resilient IT solutions. By leveraging the collective prowess of our strategic alliances, we stand poised to meet and exceed the evolving needs of our clients. As we celebrate our one-year milestone, we reaffirm our commitment to excellence and look forward to continued success in delivering unparalleled IT Infrastructure solutions.

Below mentioned are the list of Technology partners that we are aligned with:

- AMD
- Amazon Web Services
- Cisco
- Dell Technologies
- HP Enterprises
- Intel
- Microsoft
- Nutanix
- NVIDIA
- Sophos
- Suse One
- Trend Micro
- Veeam

#### **TALENT BEHIND ESCONET'S SUCCESS**

Below mentioned are the personnels who along with the Promoters, contributes in the success of Esconet:

- **Sunil Kaushik** is working with us since the year when Esconet was incorporated. He is a Chief Operations Officer in the company with oversight in procurement, renowned for his adeptness in enhancing operational and procurement management. He serves as a pivotal force in ensuring seamless business processes and optimized performance.

Key areas of expertise encompass Operational Strategy and Execution, Supply Chain Optimization, Vendor Relationship Management, Risk Mitigation, Cost-Efficiency, and Quality Control. Beyond his role in managing everyday operations, Sunil excels in Procurement Planning and Strategy, aligning purchasing activities with the company's overarching objectives.

Mr. Sunil is responsible for steering the daily operations of the organization, instilling a culture of operational excellence across various departments, and introducing well-calibrated systems and protocols. He works closely with vendors to negotiate and manage contracts, oversees procurement budgets, and ensures the timely delivery of high-caliber products and services. His dual focus on operations and procurement results in significant cost savings and process improvements, substantially benefitting the company's financial health.

- **Ashok Kumar Gupta** is working with Esconet since the year when Esconet was incorporated. He is a result oriented and strategic CFO with 40 years of experience driving financial growth and operational excellence. Adept at developing and executing financial strategies to support business objectives. Proven track record of optimizing capital structure, enhancing profitability, and ensuring regulatory compliance.

Core Competencies in Financial Planning & Analysis, Financial Reporting & Communication, Budgeting, Tax and Compliance, Leadership and Team Management, Tally & SAP Software.

- **V A Ganesh** is a highly effective and seasoned sales executive, bringing over 25 years of experience to the table in the IT and services industry and is working with Esconet since the incorporation of the Company. He is well known for his result-driven approach, he has a history of exceeding sales targets and driving significant revenue growth. Currently, he spearheads the government and public sector sales division within the company, showcasing his specialized expertise in this area. His core competencies cover a broad range of sales activities, including Business Development, Customer Relationship Management,

and targeted Sales Strategies. Ganesh excels in Prospecting and Lead Generation, building enduring relationships, and managing key accounts. He is adept at Negotiation and Closing Deals, fortified by his insightful understanding of Market Analysis and Trends.

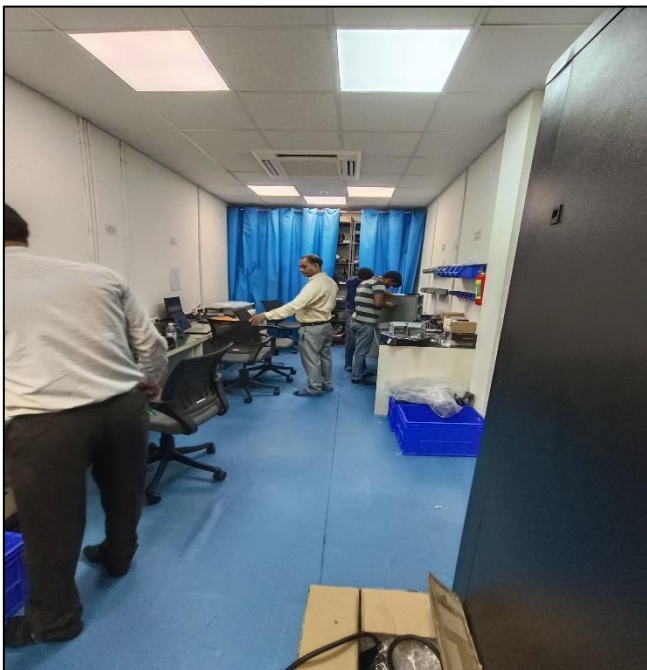
With a leadership style that fosters both individual and team excellence, V A Ganesh continues to set benchmarks in the realm of sales, making him a pivotal asset in any revenue-focused setting.

- **Mayank Malik** is working with Esconet since April 2014. He brings a performance-focused mindset reinforced by 9 years of hands-on experience in the industry. He is specialized in delivering tailored solutions to clients, his domain expertise ranges from Network & Desktop Virtualization to Hyper-Converged Infrastructure, using technologies such as vSAN, VxRAIL, and Nutanix. He is well-versed in the design and deployment of Servers and Data Storage Systems, making him a go-to expert in these areas.
- **Jaspal Singh Birdi** is working with Esconet since September 2021. He is a highly skilled and results-oriented professional with an impressive 23-year track record in assembling and shop floor operations. Not just a team player, he is a team catalyst, relentlessly focused on driving organizational success and honouring commitments at all levels.

His core competencies encompass a broad range of expertise, including Computer Hardware, Server & Storage Integration, and Post-Sales Support. Additionally, he excels in Team Management, Troubleshooting & Repair, Quality Control, and Process Improvement, making him a versatile asset in any operational landscape.

### **Our Assembling Unit**

At our registered office, we meticulously plan, design, and assemble servers to meet the evolving demands of the market and our clients. Starting with a thorough design phase where specifications and features are carefully determined, we then source high-quality components from trusted suppliers. Our skilled technicians follow standardized assembly procedures to integrate these components into fully functional servers. Testing and quality assurance processes ensure that each server meets the highest standards for functionality, performance, and reliability.



### **Data Centres**

Our wholly owned subsidiary, ZeaCloud Services Private Limited, has strategically secured space in multiple data centers, a decision that reflects our commitment to ensuring the robustness and reliability of our IT infrastructure. These data centres are owned by NTT Communications India Network Services Private Limited and NTT Global Data Centers & Cloud Infrastructure

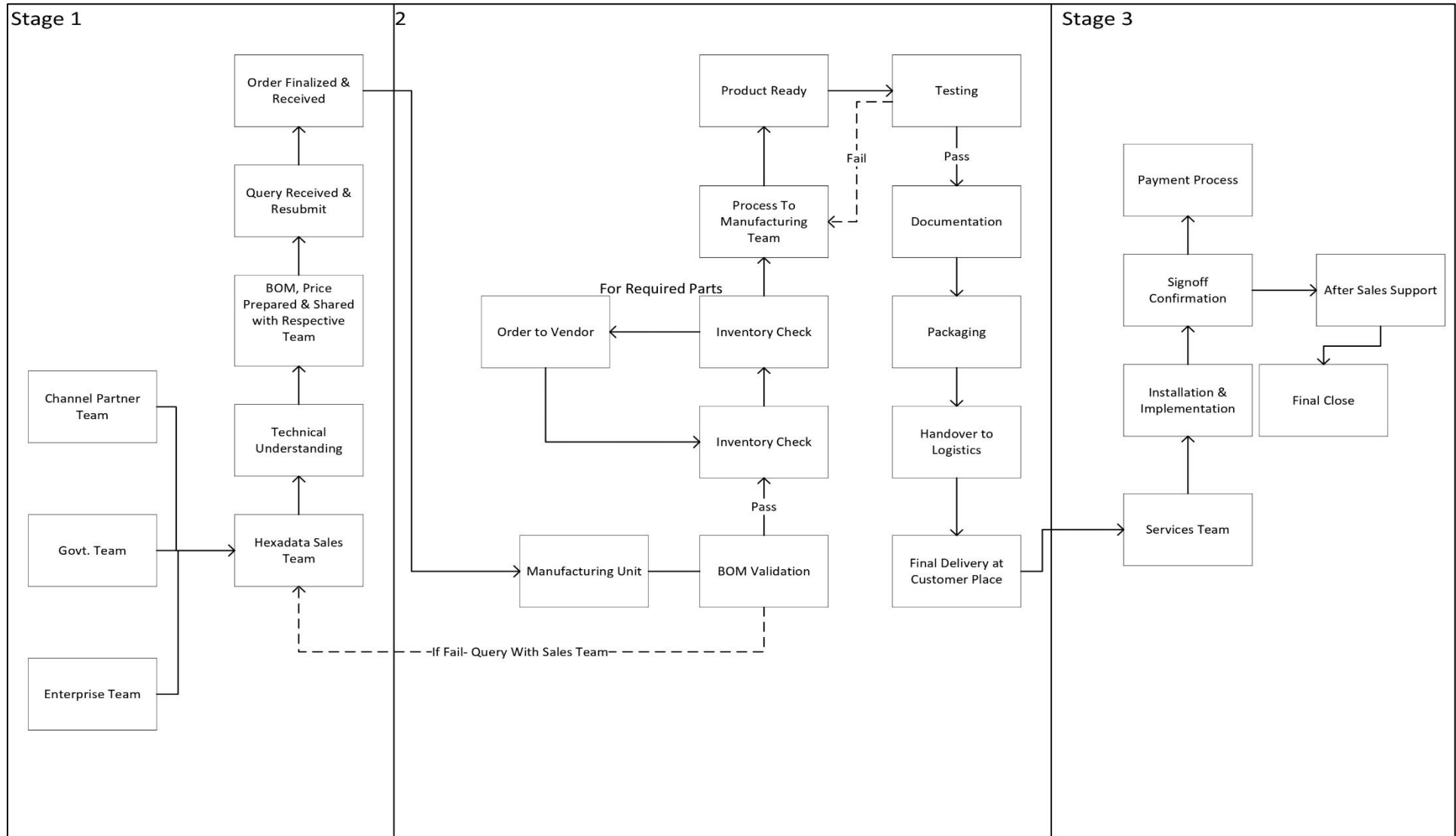
India Private Limited. Zeacloud Services is exclusively availing services from these data centres. These services, encompassing Internet Bandwidth and Rack Space for ZeaCloud's infrastructure, which are crucial for ZeaCloud's operations.

By distributing our resources across various geographic locations, Zeacloud have not only established a level of redundancy that enhances our disaster recovery capabilities but also improved the accessibility and performance of its services. Each data center provides a secure and controlled environment for our servers and networking equipment, with an emphasis on stringent security measures and rigorous compliance with industry standards. This strategic diversification allows Zeacloud to efficiently manage the capacity, implement robust redundancy strategies, and ensure that its mission-critical systems remain accessible and secure, even in the face of unexpected challenges.

The details of the data centres are as follows:







S. No	Name of the Company	Address ID	Address
1.	NTT Communications India Network Services Private Limited	DC-1 - Noida	H-223, Sector -63, Gautam Budh Nagar, Noida, Uttar Pradesh
2.	NTT Global Data Centres & Cloud Infrastructure India Private	DC-5 - Mumbai	Lighthall 'C' Wing Hiranandani Business Park, Saki Vihar Rd, Chandivali, Mumbai, India

## OUR ASSEMBLING AND INTEGRATION PROCESS





**AWARDS & RECOGNITION:**

Awards & Recognition		
<p>1. <b>ChannelWorld Premier100 Award – Year 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2021 and 2022.</b></p> 	<p>2. <b>Most Significant Project of the Year by Veeam – Year 2022</b></p> 	<p>3. <b>Appreciation award by Hewett Peckard Enterprise – 2019</b></p> 
<p>4. <b>Partner Performance by Award by Intel – Year 2018</b></p> 	<p>5. <b>Best SI Partner by AMD – Year 2018</b></p> 	<p>6. <b>Best Gold Partner by Sophos – Year 2018</b></p> 

## Awards & Recognition

### 7. Cloud Data Center Specialist award by Intel – Year 2018



### 8. Emerging Partner Award by NetApp – Year 2017



### 9. Cover Story coverage by CIOReview Magazine – Year July 2016



### 10. Rising Star of the Year North by VMware – Year 2015



### 11. Cover Story coverage by ChannelWorld Magazine – December 2013



### 12. Warrior of the Year by EMC<sup>2</sup> – 2012





## **OUR COMPETITIVE STRENGTH:**

### **1. Experienced Promoter and management team with strong industry expertise and successful track record:**

The Promoters of our Company, Santosh Kumar Agrawal and Sunil Kumar Agrawal started their IT Journey in the year 2003, through a partnership firm, Electro Sales Corporation, afterwards, in the year 2012, our promoters incorporate Esconet Technologies Private Limited, with a vision to drive innovation and digital transformation of various businesses. Under their leadership Esconet conferred various awards over the years. Our Promoters has more than two decades long experience in the field of IT Industry while working at Esconet. Further our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational, business development experience.

For further details regarding the experience and qualifications of our management team please see “Our Management” on page 163 of this Prospectus.

### **2. Partnerships and Alliances:**

Boosting competitiveness in the ever-changing field of server manufacturing relies on strategic collaborations with technology companies, software vendors, and cloud service providers. By forming partnerships with organisations such as NVIDIA, CISCO etc, a server manufacturer can create integrated solutions that go beyond traditional offerings, providing exceptional value to customers. These alliances not only drive technological innovation but also expand the company's global reach, ensuring that manufactured servers are well-adapted to meet changing market needs. The outcome is a comprehensive approach to product development, where the combination of hardware and software expertise produces cutting-edge solutions, distinguishing the company in a fiercely competitive market.

### **3. Strong and long-standing customer relationships**

Our existing client relationships help us to get repeat business from our customers. Our client relationships also help us to cross sell our other products and services to them. Further, we have been mutually value creating, stable and long-term association with our customers through product, operational process & technology excellence offered by us. This has helped us maintain a long-term working relationship with our customers and improve our customer retention strategy.

### **4. Marque Clients**

Our company has worked with various well-known public and private sector enterprises and served them for IT related services. Some of them are listed below:

<b>S. No.</b>	<b>Customer Name</b>	<b>Vertical</b>
1.	Bharat Electronics Ltd.	PSU
2.	Engineers India Ltd.	PSU
3.	Geoenpro Petroleum Ltd.	Oil & Gas
4.	Hindustan National Glass & Industries Ltd.	Manufacturing
5.	Indian Institute of Technology	Education
6.	Indian Oil Corporation Ltd.	Oil & Gas - PSU
7.	Indraprastha Institute of Information Technology	Education
8.	Ministry of Defence	Govt - Central
9.	National Informatics Centre – MeitY	Govt - Central
10.	National Informatics Centre Services Inc. – MeitY	Govt - Central
11.	Oil & Natural Gas Commission Ltd.	Oil & Gas - PSU
12.	ONGC Videsh Limited	Oil & Gas - PSU

## **OUR STRATEGIES:**

### **1. Continued focus on post sales services**

Our commitment to our client's satisfaction extends beyond the point of purchase. Recognizing the importance of uninterrupted functionality, our team always ready to address any queries, concerns, or technical issues, the client may encounter. Our after-sales services are not just a commitment; they are a cornerstone of our customer-centric philosophy. Rest assured, the experience with our products goes beyond the initial transaction – it's a continuous partnership backed by our unwavering dedication to providing top-notch service whenever the client need it.

## 2. Provide tailor-based services as customer desires

We pride ourselves on delivering more than just servers – we provide customized solutions designed to precisely match the needs of various business. Whether the client require specific configurations, scalability options, or specialized features, our expert team designed the server as per the specific needs of our clients.

## EQUIPMENTS

Following is the list of the Hardware and Software used by our Company:

### Hardware

Set out below is a list of the hardware and equipment used by our Company.

List of Machinery and Tools		
S. No.	Description	Quantity
1	ESD Protected Work Benches	8
2	ESD Combo Tester with Stand	1
3	ESD Safe Apron, Caps, Wrist Straps and Footwear	15
4	Test Lab Rack with 7KW Power and Cooling	1
5	Precision Screwdriver Set	5
6	Wire Strippers	2
7	Pliers	5
8	Twicer	5
9	Optical Magnifier Workstation	1
10	Heat Gun	2
11	Blowing machine	2
12	Temperature Controlled Soldering Station	1
13	Agilent 350MHz Cable Analyzer	1
14	Agilent MM Optical Cable Analyzer	1
15	Smart Power Meter	1
16	Tachometer	2
17	Non-Contact infrared thermometer	1
18	Digital Sound Level Meter	2
19	Digital Oscilloscope	1
20	Dremel Grinding and Polishing Machine	1
21	Heavy Duty Grinder & Cutting Tool	1
22	Power Cutting Tool	1
23	Digital Precision Mustimeter	5
24	Barcode Label Printer	1
25	Thermal transfer Printer	1
26	Laser Printer	1
27	Network Attached Storage for Logs	1

28	1 Gigabit Ethernet Switch	1
29	10 Gigabit Ethernet Switch	1
30	Passmark Software Tool	1
31	CPUz Software Tool	1
32	Prime95 Software Tool	1
33	SPEC CPU 2017 benchmark tool	1
34	BIOS Programmer Software	1
35	Intel SSD Toolbox Software	1
36	SMARTTool Software	1
37	UPS Online 11KVA Single Phase	1
38	UPS Online 20KVA Three Phase	1
39	Servo Stabilizer Oil Cooled - Three Phase	1
40	Stanley Pallet Truck	1
41	Stanley Platform Trolley	1
42	Digital Weighing Scale	1

### **Software**

Set out below is a list of the software used by our Company:

1. Passmark Software Tool
2. CPUz software tool.
3. Prime95 Software Tool
4. SPEC CPU 2017 benchmark tool
5. BIOS Programmer Software
6. Intel SSD Toolbox Software
7. SMARTTool Software

### **IMPORT BIFURCATION**

The Geographical distribution of the import of our company during the period ended September 30, 2023 and the last 3 F.Y are as under:

(Amount in Lakhs)

Particulars	As at September 30, 2023	%	2022-2023	%	2021-2022	%	2020-2021	%
Purchase Import	560.17	9.13%	1,116.32	14.67%	470.77	8.33%	227.09	5.98%
Purchase Domestic	5,573.63	90.87%	6,493.98	85.33%	5,178.86	91.67%	3,571.63	94.02%
<b>Total</b>	<b>6,133.80</b>	<b>100.00%</b>	<b>7,610.30</b>	<b>100.00%</b>	<b>5,649.63</b>	<b>100.00%</b>	<b>3,798.72</b>	<b>100.00%</b>

### **REVENUE BIFURCATION:**

#### **Revenue from Operations**

Set out below are certain details of our revenue from operations bifurcated into Organisation wise and our business verticals:

Organization	Revenue from operations			
	September 30, 2023	Fiscal 2023*	Fiscal 2022	Fiscal 2021

	(in Lakhs)	As a % of revenue from operations	(in Lakhs)	As a % of revenue from operations	(in Lakhs)	As a % of revenue from operations	(in Lakhs)	As a % of revenue from operations
<b>Government</b>	2,322.8	32.59%	3,384.39	35.75%	1,411.06	20.58%	1,168.90	26.49%
<b>Other than Government</b>	4,804.9	67.41%	6,081.57	64.25%	5,445.22	79.42%	3,242.99	73.51%
<b>Total</b>	<b>7,127.7</b>	<b>100.00%</b>	<b>9,465.96</b>	<b>100.00%</b>	<b>6,856.28</b>	<b>100.00%</b>	<b>4,411.89</b>	<b>100.00%</b>

### Geographical Wise Revenue Breakup

Geographical distribution of our revenue during the last 3 years are as under:

State	(Amount in Lakh)	
	March 31, 2023	% of Total Revenue
Delhi	3,949.40	41.72%
Uttar Pradesh	1,389.40	14.68%
Maharashtra	1,096.56	11.58%
Karnataka	1,096.27	11.58%
Haryana	856.07	9.04%
Tamil Nadu	314.42	3.32%
Telangana	203.36	2.15%
West Bengal	103.35	1.09%
Rajasthan	97.83	1.03%
Odisha	94.01	0.99%
Gujarat	58.59	0.62%
Kerala	57.22	0.60%
Uttarakhand	48.59	0.51%
Himachal Pradesh	30.41	0.32%
Export	23.73	0.25%
Bihar	19.52	0.21%
Madhya Pradesh	10.78	0.11%
Andhra Pradesh	7.21	0.08%
Chhattisgarh	3.29	0.03%
Assam	2.97	0.03%
Chandigarh	1.76	0.02%
Punjab	0.66	0.01%
Jharkhand	0.33	0.00%
Jammu and Kashmir	0.23	0.00%
<b>Total</b>	<b>9,465.96</b>	<b>100.00%</b>

State	(Amount in Lakh)	
	March 31, 2022	% of Total Revenue
Delhi	2,688.71	39.22%
Uttar Pradesh	1,527.40	22.28%
Haryana	967.09	14.11%
Maharashtra	727.84	10.62%

Punjab	224.61	3.28%
Karnataka	200.60	2.93%
Telangana	95.16	1.39%
West Bengal	91.24	1.33%
Chhattisgarh	59.73	0.87%
Jharkhand	53.71	0.78%
Rajasthan	44.94	0.66%
Gujarat	31.26	0.46%
Export	36.17	0.53%
Bihar	24.45	0.36%
Kerala	22.31	0.33%
Madhya Pradesh	21.52	0.31%
Tamil Nadu	19.73	0.29%
Andhra Pradesh	7.68	0.11%
Chandigarh	5.66	0.08%
Himachal Pradesh	5.17	0.08%
Odisha	0.95	0.01%
Uttarakhand	0.35	0.01%
<b>Total</b>	<b>6,856.29</b>	<b>100.00%</b>

(Amount in Lakh)

State	March 31, 2021	% of Total Revenue
Delhi	2,095.83	47.50%
Haryana	663.78	15.05%
Uttar Pradesh	632.51	14.34%
Maharashtra	295.51	6.70%
Madhya Pradesh	241.46	5.47%
Karnataka	189.56	4.30%
Telangana	107.31	2.43%
West Bengal	67.92	1.54%
Punjab	34.41	0.78%
Rajasthan	27.67	0.63%
Gujarat	25.79	0.58%
Tamil Nadu	9.20	0.21%
Odisha	7.53	0.17%
Export	4.67	0.11%
Kerala	3.77	0.09%
Jammu and Kashmir	2.00	0.05%
Chhattisgarh	0.92	0.02%
Jharkhand	0.89	0.02%
Bihar	0.70	0.02%
Dadra Nagar haveli	0.29	0.01%
Uttarakhand	0.14	0.00%
<b>TOTAL</b>	<b>4,411.89</b>	<b>100.00%</b>

**OUR SUPPLIERS:**

Our top 10 suppliers in terms of amount during the last 3 years are as under:

(Amount in Lakh)

F.Y. 2022-23			
Sr No.	Name	Amount	% to Total*
6.	Ingram Micro India Pvt Ltd.	2,055.49	27.01%
7.	Rashi Peripherals Ltd.	697.61	9.17%
8.	Redington India Ltd.	559.39	7.35%
9.	Tech Data Advance Solutions (India) Pvt Ltd.	455.01	5.98%
10.	WPG C&C Computers & Peripherals India Pvt Ltd.	277.02	3.64%
11.	Asrock Rack Incorporation	246.55	3.24%
12.	Chenbro Micom Co. Ltd.	236.75	3.11%
13.	World Peace International Pvt Ltd.	175.50	2.31%
14.	Satcom Infotech Ltd.	133.82	1.76%
15.	Iris Global Services Pvt Ltd.	100.81	1.32%
	<b>Total</b>	<b>4,937.96</b>	<b>64.89%</b>

\*The % is derived from the Total Purchases done by the Company in the Financial Year 22-23 i.e. ₹ 7,610.30 Lakhs

(Amount in Lakh)

F.Y. 2021-22			
Sr No.	Name	Amount	% to Total*
1.	Tech Data Advance Solutions (India) Pvt Ltd.	1081.31	19.14%
2.	Ingram Micro India Pvt Ltd.	831.65	14.72%
3.	Rashi Peripherals Ltd.	368.20	6.52%
4.	WPG C&C Computers & Peripherals India Pvt Ltd.	353.90	6.26%
5.	World Peace International Pvt Ltd.	212.60	3.76%
6.	Redington India Ltd.	204.65	3.62%
7.	MW Infolsotions Pvt Ltd.	165.42	2.93%
8.	Satcom Infotech Ltd.	152.82	2.70%
9.	Chenbro Micom Co. Ltd.	160.44	2.84%
10.	Compuage Infocom Ltd.	129.36	2.29%
	<b>Total</b>	<b>3660.35</b>	<b>64.79%</b>

\*The % is derived from the Total Purchases done by the Company in the Financial Year 21-22 i.e. ₹ 5,649.44 Lakhs

(Amount in Lakh)

F.Y. 2020-21			
Sr No.	Name	Amount	% to Total*
1.	Ingram Micro India Pvt Ltd.	910.77	23.98%
2.	Redington India Ltd.	545.93	14.37%
3.	Tech Data Advance Solutions (India) Pvt Ltd.	499.50	13.15%
4.	WPG C&C Computers & Peripherals India Pvt Ltd.	309.42	8.15%
5.	World Peace International Pvt Ltd.	115.87	3.05%
6.	Integra Datatech Pvt Ltd.	107.84	2.84%
7.	Lampo Computers	87.71	2.31%
8.	Satcom Infotech Ltd.	93.80	2.47%
9.	Chenbro Micom Co. Ltd.	82.42	2.17%
10.	Asrock Rack Incorporation	66.91	1.76%
	<b>Total</b>	<b>2,820.18</b>	<b>74.24%</b>

\*The % is derived from the Total Purchases done by the Company in the Financial Year 20-21 i.e. ₹ 3,798.72 Lakhs

## OUR CUSTOMERS:

Our top 10 customer in terms of amount during the last 3 years are as under:

(Amount in Lakh)

F.Y. 2022-23			
Sr No.	Name	Amount	% to Total*
1.	National Informatics Centre Services INC	1480.68	15.64%
2.	Acceleron Labs Pvt Ltd.	723.55	7.64%

3.	National Informatics Centre	596.68	6.30%
4.	ANG India Ltd.	595.67	6.29%
5.	SMS India Private Ltd.	517.67	5.47%
6.	Oil & Natural Gas Corporation Ltd.	271.47	2.87%
7.	PRO X Infotech Pvt. Ltd.	252.45	2.67%
8.	ONGC Videsh Ltd.	222.43	2.35%
9.	Engineers India Ltd.	220.44	2.33%
10.	RV Forms & Gears	203.70	2.15%
<b>Total</b>		<b>5084.74</b>	<b>53.72%</b>

\*The % is derived from the Revenue generated from operations by the Company in the Financial Year 22-23 i.e. ₹ 9,465.96 Lakh.

(Amount in Lakh)

F.Y. 2021-22			
Sr No.	Name	Amount	% to Total*
11.	DA Tech Systems LLP	677.56	9.88%
12.	ANG India Ltd.	675.73	9.86%
13.	National Informatics Centre	480.75	7.01%
14.	National Informatics Centre Services INC	387.12	5.65%
15.	Dhani Loans & Services Ltd.	379.65	5.54%
16.	Indian Oil Corporation Ltd.	216.86	3.16%
17.	Shree Guru Gobind Singh Tricentary University	190.29	2.78%
18.	Engineers India Ltd.	158.06	2.31%
19.	PRO X Infotech Pvt. Ltd.	158.02	2.30%
20.	Merino Consulting Services Ltd.	151.01	2.20%
<b>Total</b>		<b>3475.05</b>	<b>50.68%</b>

\*The % is derived from the Revenue generated from operations by the Company in the Financial Year 21-22 i.e., ₹ 6,856.29 Lakh.

(Amount in Lakh)

F.Y. 2020-21			
Sr No.	Name	Amount	% to Total*
11.	National Informatics Centre	643.56	14.59%
12.	National Informatics Centre Services INC	262.26	5.94%
13.	ISC Softwares Pvt Ltd.	236.45	5.36%
14.	SMS India Private Ltd.	165.15	3.74%
15.	ANG India Ltd.	144.63	3.28%
16.	Fortune Marketing Pvt Ltd.	137.32	3.11%
17.	Merino Services Ltd.	133.84	3.03%
18.	Indian Oil Corporation Ltd.	132.30	3.00%
19.	Hughes Systique Pvt Ltd	111.13	2.52%
20.	Comprint Computers	107.01	2.43%
<b>Total</b>		<b>2073.64</b>	<b>47.00%</b>

\*The % is derived from the Revenue generated from operations by the Company in the Financial Year 20-21 i.e., ₹ 4,411.89 Lakh.

## SEGMENTS WISE REVENUE

The revenue bifurcation for both the segment of services provided by the company are mentioned below:

(Amount in Lakhs)

Particulars	30th September, 2023		31st March 2023		31st March 2022		31st March 2021	
	Revenue from Goods	Revenue from Services	Revenue from Goods	Revenue from Services	Revenue from Goods	Revenue from Services	Revenue from Goods	Revenue from Services
<b>Esconet Technologies Limited</b>	6,282.57	845.21	8,912.70	553.26	6,521.90	334.39	4,192.22	219.67
<b>Zeacloud Services Private Limited</b>		13.81	-	193.30	-	-	-	-

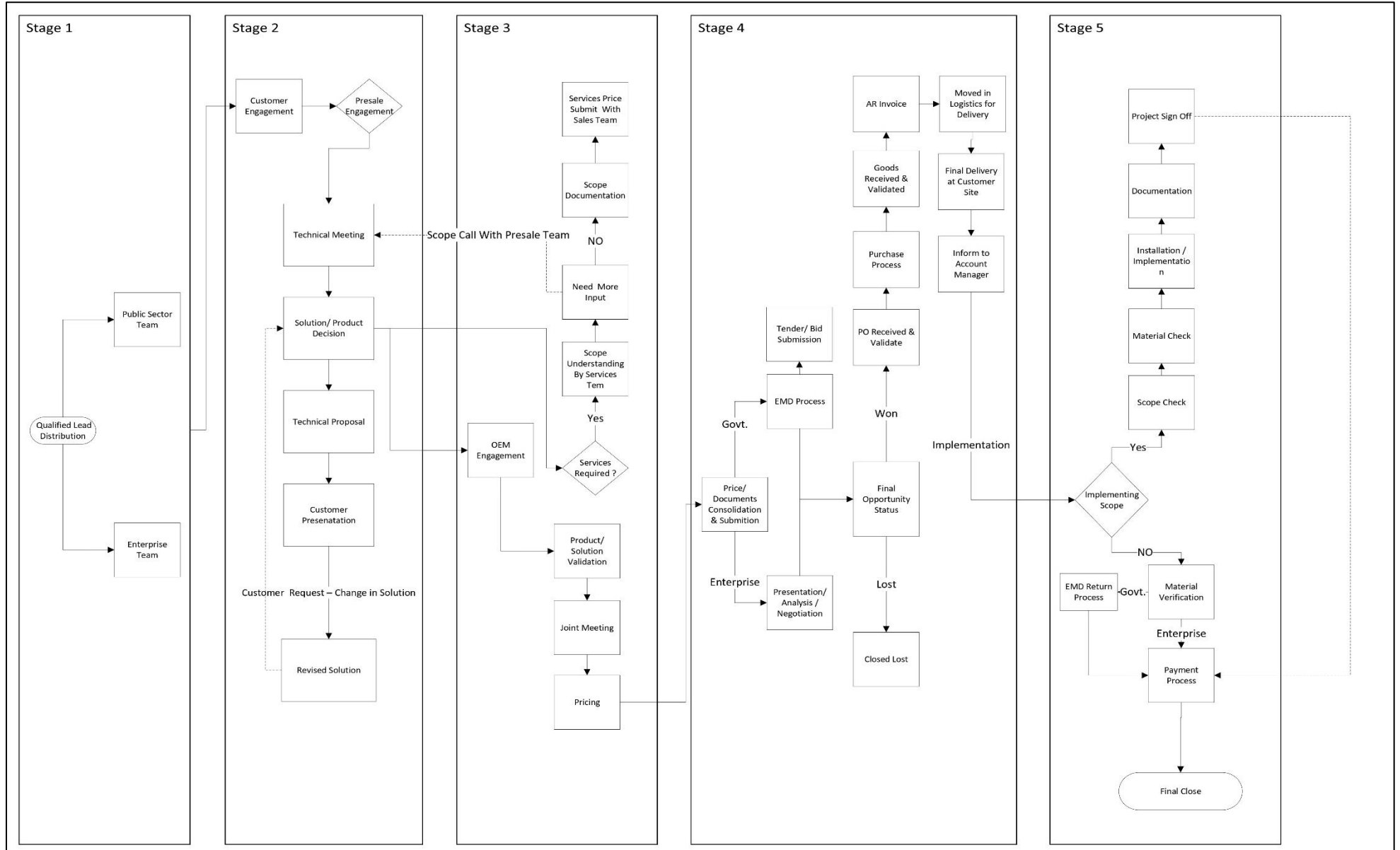
**HUMAN RESOURCE:**

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry as on November 30, 2023, we have the total strength in various departments as per the below details:

<b>Sr. No.</b>	<b>Category</b>	<b>Total</b>
1.	Board of Directors	3
2.	Sales	10
3.	Accounts and Finance	3
4.	Operations	15
5.	Human Resources and Administration	14
6.	Inventory Management	2
<b>Total</b>		<b>47</b>



**PROCESS FLOW CHART:**



## **PROCESS OF PROCURING THE RAW MATERIAL**

### **1. Component Identification in Design Phase:**

During the initial design phase, Esconet systematically identifies the specific components required for each product model, ensuring a detailed understanding of the essential elements needed for optimal functionality.

### **2. ODM Engagement for Hardware Components:**

Esconet actively seeks out reputable Original Design Manufacturers (ODMs) specializing in various hardware components, establishing partnerships to secure reliable sources for essential parts.

### **3. Sample Component Procurement for Testing:**

To validate the suitability of identified components, Esconet procures sample units for thorough design, reliability, and performance testing. This meticulous evaluation process is crucial in ensuring the selected components meet the desired standards.

### **4. Negotiation and Order Placement:**

After shortlisting potential ODM suppliers, Esconet engages in negotiations, aiming for competitive pricing and favorable delivery terms. Orders are then placed based on the negotiated terms, ensuring alignment with the company's cost and timeline considerations.

### **5. Repeat Orders with Performance-based Suppliers:**

Esconet maintains relationships with suppliers that have demonstrated consistent performance. Repeat orders are placed with these suppliers, leveraging established partnerships to streamline the procurement process while ensuring reliability. However, the company periodically evaluates quotes from alternative suppliers to uphold cost competitiveness.

### **6. Market Monitoring for Strategic Adjustments:**

Esconet remains vigilant in monitoring market pricing trends and demand-supply dynamics. This proactive approach enables the company to strategically adjust order quantities based on market conditions, optimizing procurement decisions to respond effectively to fluctuations in the business environment.

## **PROCESS OF ACQUISITION OF BUSINESS FROM CLIENTS IN PRIVATE SECTOR**

### **a) Identification and Lead Distribution:**

The first step is identifying potential clients through market research, industry databases, referrals, marketing leads, and networking events. Focus on businesses, industries, and organizations that align with the company's target market and distributing the qualified leads to the internal sales teams for further process.

### **b) Client Assessment and Presale Engagement:**

The second step after identifying the clients is to engage in discussions and technical meetings with prospective clients to understand their product/service requirements, goals, timelines, budget constraints, and project specifications. Presentations with clients and assessment of the feasibility of providing a suitable solution, or revised solution as per customer's request.

### **c) Customized Solution Proposal:**

After the successful discussion with the client, our work starts with the preparation of a customized proposal outlining the solutions, requirement analysis, system study including system design, performance requirements, financial analysis, implementation plan, and any specific client requirements. Further, we engage with the OEMs, in parallel, for required hardware or software necessary for the assessed project.

### **d) Negotiation and Finalization:**

After sharing the proposal, we collaborate with the client to finalize project details, payment terms, pricing, and service level agreements. Address any concerns or queries the client may have and finding the mutually agreeable solutions.

**e) Signing of Contracts:**

When the deal gets finalized then, then our team prepares and review legal documents, including service contracts, purchase agreements (PAs), or other agreements, ensuring that all terms and conditions are clearly defined and agreed upon by both parties, if required, drafting of scope documentation and if further inputs of client after the scope understanding is given by the Services Team, revision in documentation and pricing finalisation after Joint Meetings.

**f) Final Execution of Project:**

The last step is to proceed with the implementation phase after receipt of the Purchase orders, including material checks, securing necessary permits, conducting site assessments, engineering and design, software, hardware and services procurement from third parties, installation, and commissioning. We maintain regular interaction with the client throughout the project execution and after the final delivery of the Product/services.

**BIDDING PROCESS IN PSU SECTOR COMPANIES**

**i. Identifying the Opportunities:**

The first step is to constantly monitor the public announcements, government initiatives, and industry publications to identify project opportunities that are up for bidding on various government platforms such as the Government e-Marketplace portal and other relevant channels. This proactive approach aligns with the short-term and long-term business objectives of the company by staying informed about potential projects open for participation.

**ii. Pre-Bid Analysis:**

After identifying the opportunities, our team conducts a thorough analysis of the pre-qualification criteria, project requirements, technical specifications, financial considerations, and evaluation criteria outlined in the bidding documents for qualification.

**iii. Preparation of Bid:**

After analysing the qualification criteria, our team prepares a comprehensive bid proposal that includes technical designs, project timelines, cost estimates, earnest money, tender fee and relevant credentials while ensuring the compliance with all bidding requirements.

**iv. Risk Assessment:**

Our team evaluates the potential risks associated with the project, such as specified project timelines, manpower resource availability, regulatory hurdles, or financial constraints. Mitigate risks and develop contingency plans.

**v. Submission of the Bids:**

After evaluating the potential risk, our team submits the bid proposal within the specified deadline, following all the prescribed procedures and formats outlined in the bidding documents.

**vi. Evaluation and Award:**

After the submission of the bidding by all the competitors, the bidding authority evaluates the submitted bids based on predefined evaluation criteria. The bids are assessed for technical competence, financial viability, project timelines, and adherence to bidding guidelines. The project is then awarded to the bidder with the highest score or deemed most suitable.

**vii. Contract Signing:**

Upon successful bid acceptance, our company engages in the finalization of the agreement. This phase involves signing comprehensive contracts that outline the project's scope of work, duration, pricing structure, service levels, and specific project deliverables. Additionally, detailed acceptance testing procedures are incorporated into the contractual framework, establishing a clear and mutually agreed-upon roadmap for the successful execution of the project. This formalized documentation solidifies the commitment between our company and the client, providing a robust foundation for the seamless implementation of the

awarded project.

**viii. Award of Bid and Final Delivery:**

After the final submission of Bid and evaluation, if the Project is awarded, contracts are signed and finalised and the PO is received and validated, the Purchase/ Procurement Process is initiated, goods are received and validated, and an AR Invoice is raised, and the final delivery is made at the customer site and the final Billing process is done by the Accounts Team.

**CORPORATE SOCIAL RESPONSIBILITY**

Our Company is exempted from the provisions of section 135 of the Companies Act, 2013 till March 31,2023 in respect of Corporate Social Responsibility.

**MARKETING:**

Our success lies in the strength of our relationship with our clients and providing client specific technological to achieve the clients objective and provide the service or use the technology in appropriate way to achieve that objective. We continuously make follow-ups to clients and regularly interacts with our clients and focuses on gaining an insight of their data and information needs, in order to garner clients, also helps in understanding of client's requirement. Due to strong network and expertise in the industry, we have been able to get repeated projects from our customers from various industries in which we serve. Our marketing team along with our promoters through their vast experience and good rapport with customers expands the sales network of our company.

We have experienced and skill management team to motivate the sub-ordinates and staff to step towards their achievements and organizational goals. With their efficient management skills and co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development and nourishment of the organization.

**COLLABORATIONS:**

Our company collaborate with various well-known technology partners, the list of such technology partners are:




- AMD
- Amazon Web Services
- Cisco
- Dell Technologies
- HP Enterprises
- Intel
- Microsoft
- Nutanix
- NVIDIA
- Sophos
- Suse One
- Trend Micro
- Veeam

**CAPACITY AND CAPACITY UTILIZATION:**

Capacity and capacity utilization is not applicable to our company since our business is in the assembling and integration of Hardware's.

**INTELLECTUAL PROPERTY:**

The Company owned the following trademark which are owned by our Company and applied for registration:

Sr No.	Original Trademark Name	Registration No.	Application No.	Class	Current Status
1		3914942	-	9	Registered
2.		4902503	-	9	Registered
3.		3915037	-	9	Registered
4.	ZEACLOUD	4638215	-	42	Registered
5.	AVAILABLOUS	4638214	-	42	Registered

#### INSURANCE:

Sr. No.	Insurer	Description of Property Insured	Policy No.	Expiry date	Insured Amount (Rs. In Lakhs)
1.	TATA AIG Insurance	Marine Cargo Open Policy	6520011388	August 09, 2024	2,000.00
2.	United India Insurance	Burglary Floater Policy	0401001223P1018 48368	May 26, 2024	1,600.00
3.	United India Insurance	United Bharat Laghu Udyam Suraksha Policy	0401001123P101 47724	May 26, 2024	1,600.00
4.	ICICI Lombard	Group Personal Accident	4005/320569740/0 0/000	Dec 15, 2024	380.00
5.	ICICI Lombard	Marine Open Import Declaration Policy	2002/I/278978668/ 00/000	January 31, 2024	1,100.00

#### IMMOVABLE PROPERTIES:

We operate our activities from our registered office, details of which are given below: -

#### **Leased Properties**

Sr. No.	Details of Property	Name of Lessor/ Owner	Purpose	Total Area	Tenure	Rent (in Rs.)
1.	D-147 Okhla Industrial Area Phase 1, New Delhi, India, 110020	Mr. Santosh Kumar Agrawal	Registered office address	a. Basement Floor comprises	11 Months (W.e.f. October 1 <sup>st</sup> 2023 to	Rs. 4,50,000.00/- per month

				133.74 square meters.	August 31, 2024)	
				b. Ground Floor comprises 172.54 square meters.		
				c. First Floor comprises 133.74 square meters.		
				d. Third Floor comprises of 30.99 square meters		

#### **FINANCIALS:**

As per Restated Consolidated Financial Statements for the stub period starting from April 01, 2023 to September 30, 2023 and fiscal 2023, our total revenues were Rs. 7,146.71 Lakhs, and Rs. 9,690.84 Lakhs, respectively. Our Profit after Tax for the similar period mentioned above was Rs. 305.47 Lakhs, and Rs. 318.42 Lakhs, respectively and as per Restated Standalone Financial Statements for the fiscal 2023, 2022 and 2021, our total revenues were Rs. 9,497.54 Lakhs, Rs. 6,859.37 Lakhs, and Rs. 4,420.34 Lakhs, and for stub period from April 01, 2023 to September 30, 2023 is 7,132.90 Lakhs respectively. Our Profit after Tax for the similar period mentioned above was Rs. 304.02 Lakhs, Rs. 72.36 Lakhs, and Rs. (100.48) Lakhs, and for stub period from April 01, 2023 to September 30, 2023 is Rs. 304.48 Lacs respectively.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant laws, 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 publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice.*

*The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 283 of this Prospectus.*

*Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:*

### INDUSTRY SPECIFIC LAWS

#### **Information Technology Act, 2000 (“Information Technology Act”)**

The Information Technology Act was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records and creating a mechanism for the authentication of electronic documentation through digital signatures, it also provides for civil and criminal liability including fines and imprisonment for various computer related offenses relating to unauthorized access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. The Information Technology (Amendment) Act, 2008, which came into force on October 27, 2009, amended the IT Act and inter-alia gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third-party information liability.

#### **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.

#### **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.

#### **The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011**

The Department of Information Technology under the Ministry of Communications & Information Technology, Government of India has notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 in respect of Section 43A of the Information Technology Act, 2000. The said rules deals with the protection of sensitive personal data or information and the security practices and procedures to be followed. Further these provide reasonable security practices and procedures to be put in place by a body corporate

and person as defined under the said Rules.

## **TAX RELATED LAWS**

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

The Income-tax Act, 1961 (—IT Act) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its —Residential Status and —Type of Income involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

### **The Goods and Services Tax (“GST”)**

The GST is applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It is a destination-based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central GST (CGST) as provided by the CGST Act and that to be levied by the States is called the State GST (SGST) as given under the SGST Acts. An Integrated GST (IGST) under the IGST Act is to be levied and collected by the Centre on inter-State supply of goods and services. The CGST and SGST is to be levied at rates to be jointly decided by the Centre and States.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

There are indirect taxes that are levied and collected by the Central and State Government which are now subsumed under GST. Some of the taxes which were applicable to the Company are as follows:

- Service Tax
- Value Added tax
- The Central Sales Tax Act, 1956

### **The Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made thereunder 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 itself registered and obtain an Importer Exporter Code.

## **INTELLECTUAL PROPERTY RELATED LAWS**

### **Copyright Act, 1957 (Copyright Act)**

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years from the beginning of the next calendar year, following the year in which the work is first published.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizure of infringing copies.

### **The Trade Marks Act, 1999 (“Trademark Act”)**



The Trademark Act provides for the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Applications for a trade mark registration may be made for in one or more classes. Once granted, trade mark registration is valid for ten years unless cancelled.

The Trade Mark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trade mark in other countries.

## **CORPORATE LAWS**

### **The Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. At present almost all the provisions of this law have been made effective except a very few. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

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

In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

## **FOREIGN REGULATIONS**

### **The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules 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. FTA read with the Indian Foreign Trade Policy 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**

When a business enterprise imports goods from other countries, exports its products to them or makes investments abroad, it deals in foreign exchange. Foreign Exchange Management Act, 1999 (—FEMA) was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

## **EMPLOYMENT AND LABOUR LAWS**

### **The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time (—EPF Act), mandates provisioning for provident fund, family pension fund and deposit linked insurance in factories and other establishments for the benefits of the employees. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, 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 Employees' State Insurance Act, 1948 (the "ESI Act")**

The promulgation of Employees' State Insurance Act, 1948 envisaged an integrated need based social insurance scheme that would protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent physical disablement, death due to employment injury resulting in loss of wages or earning.

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund at the rate prescribed by the Central Government. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **The Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The act provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- (a) on his/her superannuation;
- (b) on his/her retirement or resignation;
- (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply)

A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day.

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

The Payment of Bonus Act, 1965 is applicable to every factory and every other establishment employing twenty (20) or more persons. Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

### **The Maternity Benefit Act, 1961**

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It provides, inter alia, for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women, etc. Government, further amended the Act which is known as The Maternity Benefit (Amendment) Act, 2016, effective from March 28, 2017 introducing more benefits for pregnant women in certain establishments.

### **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 behavior namely, physical contact and advances or a demand or request for sexual favors or making

sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The 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.

### **The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

## **GENERAL LEGISLATIONS**

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

The Indian Contract Act, 1872 (—Contract Act) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as void‘ or voidable‘. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **Consumer Protection Act, 2019 (“CPA”)**

The CPA, which repeals the Consumer Protection Act, 1986, was enacted to provide simpler and quicker access to redress consumer grievances. It seeks to protect and promote the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. Further, the definition of “consumer” has been expanded under the CPA to include persons engaged in online and offline transactions through electronic means or by teleshopping, or direct-selling or multi-level marketing.

### **The Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates —combinations in India. The Competition Act also established the Competition Commission of India (the —CCI) as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Transfer of Property Act, 1882 (“TP Act”)**

The Transfer of Property Act, 1882 (the —TP Act) establishes the general principles relating to transfer of property in India. It forms a basis for 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. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

### **The Indian Stamp Act, 1899**

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

### **The Registration Act, 1908**

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

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

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **Limitation Act, 1963**

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, period of limitation‘means the period of limitation prescribed for any suit, appeal or application by the Schedule, and prescribed period‘ means the period of limitation computed in accordance with the provisions of this Act.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### HISTORY OF OUR COMPANY

Our Company was originally incorporated on March 30, 2012 as a Private Limited Company as “Esconet Technologies Private Limited” vide Registration No. 233739 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our company had taken over a partnership firm namely M/s Electro Sales Corporations via agreement executed date April 01, 2012. The partners of M/s Electro Sales Corporations, named Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal and M/s Abro Intrade Pvt Ltd. through its Director Mr. Sunil Kumar Agrawal transferred all the Assets & Liabilities of Partnership Firm M/s Electro Sales Corporation to Esconet Technologies Private Limited with all assets, liabilities, rights, claims, entitlements and obligations with effect from 01.04.2012 on going concern basis.

Pursuant to a special resolution passed by our shareholder in the Extra – Ordinary General Meeting held on August 09, 2023 main objects of the Company was altered and a Fresh Certificate of Incorporation was issued on August 18, 2023 by the Registrar of Companies, Delhi. Subsequently, pursuant to a special resolution passed by the Shareholders at their Extra-Ordinary General Meeting held on August 09, 2023, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to “Esconet Technologies Limited” and a Fresh Certificate of Incorporation consequent to Conversion was issued on September 21, 2023 by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U62099DL2012PLC233739.

Presently, we carry out our operations from our Registered Office as per the below details:

Sr. No.	Particulars	Address
1.	Registered Office	D-147 Okhla Industrial Area, Phase-1, South Delhi, New Delhi - 110020

### CHANGES IN OUR REGISTERED OFFICE

Registered Office of the Company is presently situated at D-147 Okhla Industrial Area Phase 1 New Delhi – 110020.

The Details of the change of Registered Office of the Company are as follows:

Sr. No.	Date of Change	Shifted From	Shifted to	ROC	Reason of Change
1	June 01, 2020	402, Sahyog Building 58, Nehru Place, New Delhi – 110019.	D-147 Okhla Industrial Area, Phase- 1, South Delhi, New Delhi - 110020	ROC- Delhi	Administrative Purpose

### CHANGES IN NAME CLAUSE

Date of Amendment	Particular	Reason
On September 21, 2023	Change in name of company from “Esconet Technologies Private Limited” to “Esconet Technologies Limited”	Conversion of Company from Private Limited to Public Limited.

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company as per the Object Clause of Memorandum of Association of the Company are as under:

#### (a) The main object to be pursued by the company

1. To develop, design, procure, outsource, manufacture, distribute, sell, purchase, maintain operate, upgrade, lease, import and export or otherwise, deal or transact in all types of information technology software, information technology hardware and related products & Services.
2. To carry on the business of internet and internet based solution, Commerce as business and business to customer of products and service including buying, selling, export, import, franchise, licensing, agency consultancy, web site hosting on different themes on the internet organizing cyber exhibitions of information technology products, service and hardware operating entertainment places, communication network and solutions, on internet including physical warehousing and distributions and supply of products and services as supplementary and complementary of e-commerce business.
3. To carry on the operations to develop distribute, e-mail, provide customer service operate improve procure, install, move, import, export, consult, develop and distribute of all kinds of products and service, represent, advise or otherwise in various areas including internet, e-commerce and e-services including design, creation development, maintenance and hosting of web site and networks including voice and data.
4. To conceive, develop and design applications and IT Enabled service in the areas of meteorological science, law, medicine, health, human resources, accounting, engineering, customer relationship management, business research, knowledge, management, network management, web design and hosting, that can provide to business and consumers outside India (in the form of IT Enabled services). To develop the corresponding software that will help in providing guidance and assistance to external customers in some or all of these areas. To maintain database and provide consultancy to the customer's business needs.

#### **AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:**

Since incorporation, there has been following amendment made to the MoA of our Company:

<b>Date of Amendment</b>	<b>Particulars of Amendment</b>
August 18, 2023	Alteration in Object clause by deleting the existing clause and altering with the new clause in MOA.
September 21, 2023	Change in name of company from “Esconet Technologies Private Limited” to “Esconet Technologies Limited”
September 23, 2023	Increase in Authorised Capital of the Company from Rs. 1,00,00,000 to Rs. 15,00,00,000.

#### **KEY EVENTS AND MILESTONES:**

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

<b>YEAR</b>	<b>PARTICULARS</b>
2012	Incorporation of Our Company as a private limited company with the name of “Esconet Technologies Private Limited”
2018	Esconet has clinched the largest-ever single contract for setting up a Private Cloud infrastructure for ONGC Videsh Limited
2022	Esconet has acquired a petabyte-scale storage order from the National Informatics Centre (NIC).
2023	Esconet have achieved a record-breaking single contract for server solutions from the National Informatics Centre (NIC), under the Ministry of Electronics and Information Technology (MEITY).
2023	Conversion our Company from Private Limited Company to Public Limited Company
2023	Acquired Zeacloud Services Private Limited as a wholly owned subsidiary of Esconet Technologies Limited

#### **KEY AWARDS, ACCREDITATIONS AND RECOGNITION**

<b>YEAR</b>	<b>PARTICULARS</b>
2022	ChannelWorld Premier100
2022	Most significant project of the year by Veeam
2019	Appreciation award by Hewett Peckard Enterprise
2018	Partner Performance by Award by Intel

2018	Best SI Partner by AMD
2018	Best Gold Partner by Sophos
2018	Cloud Data Center Specialist award by Intel
2017	Emerging Partner Award by NetApp
2016	Cover Story coverage by CIOReview Magazine
2015	Rising Star of the Year North by VMware
2013	Cover Story coverage by ChannelWorld Magazine
2012	Warrior of the Year by EMC2

## DETAILS OF BUSINESS OF OUR COMPANY

Esconet Technologies Private Limited, established in 2012 as Esconet Technologies Private Limited, has evolved into a prominent system integrator within the IT infrastructure, cloud computing, managed services, and data security sectors. Over the years, Esconet has transitioned from a mere hardware and software vendor to a revered advisor, manufacturer, integrator, and service provider, earning the trust of numerous private and public sector organizations.

The company is proficient in addressing diverse IT needs, including servers, storage, networks, security, virtualization, and data protection, catering to SMEs, large enterprises, and public sector clients. Recognizing the burgeoning demand in the Indian market, Esconet introduced its brand, HexaData, specializing in high performance Servers, Workstations, and storage systems through the Make in India initiative. Additionally, Esconet's strategic collaboration with NVIDIA has propelled remarkable growth in the AI and ML domain, enhancing their servers and workstations.

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "Our Business", "Management Discussion and Analysis of Financial Conditions" and "Basis for Issue Price" on page 112, 263 and 86 of this Prospectus respectively.

## HOLDING COMPANY OF OUR COMPANY

Our company does not have any Holding Company as on the date of filing of the Prospectus, for further details, please see "Our Promoter and Promoter Group" on page no. 179.

## SUBSIDIARY COMPANY OF OUR COMPANY

As on the date of filing of the Prospectus, our company has One (1) Wholly Owned Subsidiary Company named as Zeacloud Services Private Limited, in which Issuer company holds 100% of the capital contribution.

### 1. ZEACLOUD SERVICES PRIVATE LIMITED ("Zeacloud")

#### Corporate Information

Zeacloud Services Private Limited was incorporated on May 11, 2022 as a private limited company under the provisions of Companies Act, 2013 with the Registrar of Companies, Kanpur. Its Corporate Identification Number is U72900UP2022PTC163967. It has its registered office at A – 9, Sector - 10, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301.

#### Main Object of the Company

The main object of Zeacloud is to carry on the operations to develop, aggregate, distribute, operate, improve, procure, install, move, import, export, consult, all kinds of products and service, represent, advise or otherwise in various areas including internet, e-commerce and Information Technology enabled services, including design, create, develop, maintain and hosting of web site and networks including voice and data.

#### Business of the Company

ZeaCloud provides an extensive range of cloud and managed services aimed to meet the varying needs of businesses:

- **Private Cloud Services:** Tailored solutions designed for businesses that require a more customized and secure cloud environment.
- **Public Cloud Services:** Economical and scalable services that offer the flexibility and cost-efficiency that growing businesses need.
- **Backup-as-a-Service (BaaS):** A comprehensive backup solution that ensures data integrity and availability.
- **Disaster-Recovery-as-a-Service (DRaaS):** A resilient recovery service designed to minimize downtime and protect against data loss in emergency scenarios.
- **Managed Services:** An end-to-end service management offering that allows businesses to focus on their core competencies.
- **Desktop-as-a-Service (DaaS):** A service that simplifies IT management by providing desktop solutions over the cloud, offering both flexibility and security.

#### Board of Directors

Name	Designation	DIN/PAN
Vineet Agrawal	Director	09603245
Sunil Kumar Agrawal	Director	00493820

#### Capital Structure

The Authorized capital of Zeacloud is ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each. Issued, subscribed and paid-up share capital of Zeacloud is ₹ 12,00,000 divided into 1,20,000 equity shares of ₹10 each.

#### Shareholding

As on the date of this Prospectus, the shareholding pattern of Zeacloud is as follows:

Name of the Shareholder	No. of Equity Shares	% of Shareholding
Esconet Technologies Limited	1,19,900	99.92
Mr. Santosh Kumar Agrawal	100	0.08

#### Financial Performance of the Company

(Amount in Lakh except EPS and NAV per share)

Particulars	September 30, 2023	March 31, 2023
Equity Capital	12.00	12.00
Reserve & Surplus	32.31	22.42
Total Income	13.80	193.30
Profit/(Loss) after Tax	0.99	14.42
Earning Per Share (Rs.) (Basic)	0.83	0.00
Earning Per Share (Rs.) (Diluted)	0.83	0.00
Net Worth	34.31	34.42
Net Asset Value per Share	28.59	28.68

#### ASSOCIATE AND JOINT VENTURES OF OUR COMPANY

Our Company does not have any associate and joint ventures as on the date of this Prospectus.

#### OTHER DECLARATIONS AND DISCLOSURES

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has received a notice for striking off its name from the relevant Registrar of Companies.



## **FUND RAISING THROUGH EQUITY OR DEBT**

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled “*Capital Structure*” beginning on page number 61 respectively, of this Prospectus.

## **REVALUATION OF ASSETS**

Our Company has not re-valued its assets since its incorporation.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as stated in this Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of the Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## **INJUNCTIONS OR RESTRAINING ORDERS**

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

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

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks in last 3 financial years.

## **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of the Prospectus, our employees are not unionized.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Prospectus, there have been no time and cost overrun in any of the projects undertaken by our Company.

## **SHAREHOLDERS' AGREEMENT**

Our Company does not have any subsisting shareholders' agreement as on the date of this Prospectus.

## **OTHER AGREEMENTS**

Except as disclosed in the title “*Material Contracts and Documents for Inspection*” on page no. 379 as on the date of this Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Prospectus.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, DIRECTORS, PROMOTERS OR ANY OTHER EMPLOYEE**

As on the date of this Prospectus, there are no agreements entered into by our Key Managerial Personnel or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

## **COLLABORATION AGREEMENT**

As on the date of this Prospectus, our Company is not party to any collaboration agreement.

## **STRATEGIC PARTNERS**

Our Company does not have any strategic partner(s) as on the date of this Prospectus.

## **FINANCIAL PARTNERS**

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

## **ACQUISITION OF BUSINESS/UNDERTAKINGS**

Our Company has not acquired any material business or undertaken any mergers or amalgamation or divestments of business or undertaking since incorporation preceding the date of this Prospectus, except as stated below:

### **1. Takeover of business of M/s Electro Sales Corporation, Partnership firm on April 01, 2012**

All the partners of the Partnership Firm M/s Electro Sales Corporation, namely Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal and M/s Abro Intrade Pvt Ltd. through its Director Mr. Sunil Kumar Agrawal transferred all the Assets & Liabilities of Partnership Firm M/s Electro Sales Corporation to Esconet Technologies Private Limited with all assets, liabilities, rights, claims, entitlements and obligations with effect from 01.04.2012 on going concern basis via agreement executed dated April 01, 2012 between M/s Electro Sales Corporation and Esconet Technologies Private Limited.

### **2. Allotment of 10,723 Equity Shares of Esconet Technologies Limited, Zeacloud Services Private Limited became the wholly owned subsidiary of Esconet on September 05, 2023.**

Our Company has acquired 1,20,000 equity shares of Zeacloud Services Private Limited vide Board resolution dated September 05, September 2023 by allotting 10,723 equity shares of Esconet Technologies Limited to Mr. Vineet Agrawal, Mr. Amit Gupta and Mr. Sunil Kumar Agrawal, the existing Shareholders of Zeacloud Services Private Limited.

## **DIVESTMENT OF BUSINESS/UNDERTAKING BY COMPANY SINCE INCEPTION YEARS.**

There has been no divestment by the Company of any business or undertaking since inception.

## **NUMBER OF SHAREHOLDER OF OUR COMPANY**

Our Company has 26 (Twenty-six) shareholders as on date of this Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled “*Capital Structure*” beginning on page 61 of this Prospectus.

## **DETAILS OF PAST PERFORMANCE**

For details of Change of management, please see chapter titled “*Our Business*” and “*Our History and Certain Corporate Matters*” on page 112 and 157 respectively of this Prospectus.

## **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “*Financial Statements*” beginning on page 186 of this Prospectus.

## **GUARANTEES GIVEN BY PROMOTER OFFERING ITS SHARES IN THE OFFER FOR SALE**

This Issue is a fresh issue of Equity Shares and our Promoters is not offering his shares in this Issue.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Prospectus, our Board consist of Six (6) Directors, out of which Three (3) are Executive Director, three (3) are Non-Executive Independent Director.

Sr. No.	Name	DIN	Category	Designation
1.	Santosh Kumar Agrawal	00493749	Executive	Chairperson cum Managing Director
2.	Sunil Kumar Agrawal	00493820	Executive	Whole Time Director
3.	Vineet Agrawal	09603245	Executive	Whole Time Director
4.	Mukesh Chand Jain	00101601	Non- Executive	Independent Director
5.	Gaurav Gupta	06954141	Non- Executive	Independent Director
6.	Ashi Jain	10342573	Non- Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Prospectus:

S. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship/ Partnership/Membership
1.	<p><b>Mr. Santosh Kumar Agrawal</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Address:</b> E-910, First Floor, Chittranjan Park, South Delhi, Delhi - 110019</p> <p><b>Date of Birth:</b> 15/07/1969</p> <p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>Bachelor in Commerce (B.COM) from Guru Ghasidas University, Bilaspur (M.P)</li> <li>Masters in Business Administration (MBA) from Global Institute of Management &amp; Technology</li> </ul> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 Years w.e.f. September 10, 2023</p> <p><b>Date of First Appointment:</b> March 30, 2012</p> <p><b>Date of Appointment as Chairman &amp; Managing Director:</b> September 10, 2023</p> <p><b>DIN:</b> 00493749</p>	54	<p><b><u>Indian Private Limited Company</u></b></p> <p>1. Nil</p> <p><b><u>Indian Public Limited Company</u></b></p> <p>1. Nil</p> <p><b><u>Indian Limited Liability Partnership</u></b></p> <p>1. Abro Intrade LLP</p> <p><b><u>Indian Hindu Undivided Family</u></b></p> <p>1. Shyamlal Agrawal (H.U.F.)</p>

S. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship/ Partnership/Membership
2.	<p><b>Mr. Sunil Kumar Agrawal</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> E-910, 2nd Floor, Block-E, Chittranjan Park, South Delhi, Delhi-110019</p> <p><b>Date of Birth:</b> 04/01/1978</p> <p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>Bachelor of Commerce (B.Com.), Accounting and Taxation from Guru Ghasidas University, Bilaspur, MP</li> <li>Bachelor of Laws (LLB) from Guru Ghasidas University, Bilaspur, MP</li> </ul> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 Years w.e.f. September 25, 2023</p> <p><b>Date of First Appointment:</b> March 30, 2012</p> <p><b>Date of Appointment as Whole Time Director:</b> September 25, 2023</p> <p><b>DIN:</b> 00493820</p>	45	<p><b><u>Indian Private Limited Company</u></b></p> <p>1. Zeacloud Services Private Limited</p> <p><b><u>Indian Public Limited Company</u></b></p> <p>Nil</p> <p><b><u>Indian Limited Liability Partnership</u></b></p> <p>1. Abro Intrade LLP</p> <p><b><u>Indian Hindu Undivided Family</u></b></p> <p>1. Shyamlal Agrawal (H.U.F.)</p>
3.	<p><b>Mr. Vineet Agrawal</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> E-910, 1st Floor, Chittaranjan Park, Kalkaji, South Delhi, Delhi-110019</p> <p><b>Date of Birth:</b> 28/05/1996</p> <p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>Pursuing Bachelor in Computer Application (BCA) from Amity University</li> </ul> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 Years w.e.f. September 25, 2023</p> <p><b>Date of First Appointment:</b> July 25, 2023</p> <p><b>Date of Appointment as Whole Time Director:</b> September 25, 2023</p> <p><b>DIN:</b> 09603245</p>	27	<p><b><u>Indian Private Limited Company</u></b></p> <p>1. Zeacloud Services Private Limited</p> <p><b><u>Indian Public Limited Company</u></b></p> <p>Nil</p> <p><b><u>Indian Limited Liability Partnership</u></b></p> <p>Nil</p> <p><b><u>Indian Hindu Undivided Family</u></b></p> <p>1. Shyamlal Agrawal (H.U.F.)</p>

S. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship/ Partnership/Membership
4.	<p><b>Mr. Mukesh Chand Jain</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> Flat no-F-703, Munirka Apartment Plot-11 Sector-9, Dwarka, Sector-6, Delhi Cantonment, South west Delhi, Delhi-110075</p> <p><b>Date of Birth:</b> 01/07/1959</p> <p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>Bachelor of commerce (B.com) from Delhi University</li> <li>Bachelor of Laws (LLB) from Delhi University</li> <li>Company Secretary from Institute of Company Secretaries of India (ICSI)</li> <li>Cost Accountant from Institute of Cost Accountants of India (ICMAI)</li> <li>Insolvency Professional and Registered Valuer registered with Insolvency and Bankruptcy Board of India (IBBI)</li> </ul> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 Years w.e.f. October 05, 2023</p> <p><b>Appointed on:</b> October 05, 2023</p> <p><b>DIN:</b> 00101601</p>	64	<p><b><u>Indian Private Limited Company</u></b></p> <p>Nil</p> <p><b><u>Indian Public Limited Company</u></b></p> <p>1. Sail Jagadishpur Power Plant Limited</p> <p><b><u>Indian Limited Liability Partnership</u></b></p> <p>Nil</p> <p><b><u>Indian Hindu Undivided Family</u></b></p> <p>Nil</p>
5.	<p><b>Mr. Gaurav Gupta</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> OD-91, 1<sup>st</sup> Floor, Malibu town, Sector-50 Alawa, Gurgaon, Haryana-122017</p> <p><b>Date of Birth:</b> 22/01/1980</p> <p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>Bachelor of Science (B.Sc.) from Jai Narain Vyas University- Jodhpur, Rajasthan, India</li> <li>'O' Level Diploma Certificate Course- One Year Comprehensive Program In Computer Science- 2002 from Department of Electronics, Govt. of India</li> </ul> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 Years w.e.f. October 05, 2023</p> <p><b>Appointed on:</b> October 05, 2023</p>	44	<p><b><u>Indian Private Limited Company</u></b></p> <p>1. Karnodakshayi Private Limited 2. Tale Scale Networks Private Limited 3. Fluidech IT Services Private Limited</p> <p><b><u>Indian Public Limited Company</u></b></p> <p>Nil</p> <p><b><u>Indian Limited Liability Partnership</u></b></p> <p>Nil</p> <p><b><u>Indian Hindu Undivided Family</u></b></p> <p>Nil</p>

S. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship/ Partnership/Membership
	<b>DIN:</b> 06954141		
6.	<b>Mrs. Ashi Jain</b>  <b>Designation:</b> Non-Executive Independent Director  <b>Address:</b> Flat no-70, Kailash Apartment Plot no. 45, I. P. Extension, East Delhi, Delhi, 110092,  <b>Date of Birth:</b> 05/02/1988  <b>Qualification:</b> <ul style="list-style-type: none"> <li>B.Com. (Pass) from St.John's College Dr.B R Ambedkar University, Agra in the year 2008</li> <li>M.Com (Accounts &amp;Law) from St.John's College, Dr.B R Ambedkar University, Agra in 2010</li> <li>Company Secretary from Institute of Company Secretaries of India (ICSI)</li> </ul> <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Term:</b> 5 Years w.e.f. October 05, 2023  <b>Appointed on:</b> October 05, 2023  <b>DIN:</b> 10342573	36	<u><b>Indian Private Limited Company</b></u> Nil  <u><b>Indian Public Limited Company</b></u> Nil  <u><b>Indian Limited Liability Partnership</b></u>  Nil <u><b>Indian Hindu Undivided Family</b></u>  Nil

#### BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

**Mr. Santosh Kumar Agrawal**, aged 54 years is a second-generation entrepreneur who began his IT journey in 2003 with Electro Sales Corporation, trading in hardware and software. Rooted in strong trust and values, he transformed the business in 2012 to Esconet Technologies, focusing on IT solutions, cloud computing, and fostering long-lasting relationships with clients. As a certified cloud architect and experienced IT Infrastructure Architect, Santosh is passionate about technology, data security, and disruptive innovations. He upholds the principles of integrity and excellence, ensuring the highest level of service for his clients. With expertise in IT infrastructure, cloud, and network design, Santosh specializes in private and hybrid cloud solutions. His extensive experience spans multiple verticals, including manufacturing, education, retail, and defense. A trailblazer in the industry, Santosh's dedication to innovation, trust, and ethical business practices has positioned him as a prominent figure in the world of IT infrastructure and cloud computing.

**Mr. Sunil Kumar Agrawal**, aged 45 years, is a second-generation entrepreneur embarked on his IT journey in 2003 with Electro Sales Corporation, specializing in hardware and software trading. As a commerce and law graduate with an innate knack for mechanical engineering and IT hardware, Sunil's innovative approach to technology was evident from the start. His entrepreneurial spirit and technical acumen played a pivotal role in transforming the business into Esconet Technologies Pvt. Ltd. in 2012. Sunil's unique expertise extends to server architecture, where he has designed custom servers and computer workstations, specifically tailored for Artificial Intelligence and Machine Learning applications. These designs are a testament to his long experience in the industry and his ability to adapt to the rapidly evolving technological landscape.

Sunil's passion for computing technology is matched only by his commitment to customer satisfaction. He views every client interaction as an opportunity to exceed expectations and create lasting connections. His well-rounded skill set also includes highly effective vendor management, reflecting a balance between strategic negotiation and cultivating positive relationships.

**Mr. Vineet Agrawal**, aged 27 years, is a dynamic and ambitious third-generation entrepreneur, currently serving as the Director of Esconet Technologies Pvt. Ltd. With a keen aptitude for learning and a robust work ethic, he has quickly distinguished himself in the fields of sales and marketing. As a fast learner and a hardworking executor, Agrawal's

dedication to excellence is evident in his approach to his role within the company. His youthful energy and innovative thinking promise a bright future for both himself and Esconet Technologies. His leadership is expected to contribute significantly to the growth and success of the company in the IT Infrastructure solution sales and services sector.

**Shri Mukesh Chand Jain**, aged 64 years, is Non – Executive Independent Director of our Company. He has rich experience of over 32 years in various capacities in Corporate Finance and Corporate Law functions in Steel Authority of India Limited (SAIL), a Maharatna Public Sector company and also as Chief Finance Officer & Company Secretary of International Coal Ventures Private Limited (ICVL). He was Executive Director (Finance & Accounts) & Company Secretary of SAIL at the time of his superannuation on 30th June, 2019. He has joined Board of Esconet Technologies in October, 2023 as Independent Director.

Shri Mukesh Chand Jain is Graduate in Commerce and Law from Delhi University. He is a qualified Company Secretary and a Cost Accountant. He is also an Insolvency Professional and Registered Valuer registered with Insolvency and Bankruptcy Board of India. During the course of his professional experience, Shri Jain has handled various functions such as Costing, Budgeting, Funds Management, Project Finance, Due diligence, Company Law Compliances, SEBI Regulations, Board and Shareholders Management, etc.

At present, he is practicing in Company Law matters and Arbitrator, Insolvency Professional and Registered Valuer.

**Mrs. Ashi Jain** is a Company Secretary and has rich experience of almost 8 years, she has served clients of various sectors. She has joined Board of Directors of Esconet Technologies in October, 2023 as Independent Director. Besides being proprietor, she is an excellent communicator with exceptional relationship management, people skills & problem-solving skills.

She has an excellent dealing with the MCA portal and websites of other authorities like Company Law Board (CLB), SEBI, Stock Exchange (SE) etc.

**Mr. Gaurav Gupta** has a rich experience of almost 23 years in IT and software industry. He has joined Board of Directors of Esconet Technologies as independent director. He is a Service focused Technology Strategist & Business Leader with CIO Level Success in Global Planning, IT Infrastructure- Setup, Operations, Program Management, Service design & delivery, Capacity/ Cost projections, IT Governance, in diverse business scenarios/ domains; and an Innovative Change Agent in business. Proven Sales & Pre-Sales Strategy, Planning & execution capabilities with a successful track record

*Note:*

*None of the above-mentioned Directors are on the RBI List of willful defaulters as on the date of this Prospectus.*

- 1) None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.*
- 2) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*

## **FAMILY RELATIONSHIP BETWEEN DIRECTORS**

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

S. No.	Name of the Director	Other Director	Relationship with other Directors
1	Mr. Santosh Kumar Agrawal	Mr. Sunil Kumar Agrawal	Brother
2	Mr. Santosh Kumar Agrawal	Mr. Vineet Agrawal	Father-Son
3	Mr. Sunil Kumar Agrawal	Mr. Vineet Agrawal	Nephew

## **Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension**

None of our Directors is / was a director in any listed company during the last five years before the date of filing of this Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

## **Details of current and past directorship(s) in listed companies, which have been/ were delisted from the stock exchange(s) and reasons for delisting**

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors were selected as a director or member of senior management.**

There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or member of the senior management.

**TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS**

**i. Executive Directors**

<b>Name</b>	<b>Santosh Kumar Agrawal</b>
<b>Designation</b>	Chairman and Managing Director
<b>Period</b>	5 Years w.e.f September 10, 2023
<b>Date of approval of shareholder</b>	September 10, 2023
<b>Remuneration</b>	Rs. 3,00,000 p.m.
<b>Perquisite</b>	Nil
<b>Other Benefits (if any)</b>	Nil
<b>Commission</b>	Nil
<b>Sitting Fees</b>	Nil

<b>Name</b>	<b>Sunil Kumar Agrawal</b>
<b>Designation</b>	Whole time Director
<b>Period</b>	5 Years w.e.f September 25, 2023
<b>Date of approval of shareholder</b>	September 26, 2023
<b>Remuneration</b>	Rs. 3,00,000 p.m.
<b>Perquisite</b>	Nil
<b>Other Benefits (if any)</b>	Nil
<b>Commission</b>	Nil
<b>Sitting Fees</b>	Nil

<b>Name</b>	<b>Vineet Agrawal</b>
<b>Designation</b>	Whole Time Director
<b>Period</b>	5 Years w.e.f September 25, 2023
<b>Date of approval of shareholder</b>	September 26, 2023
<b>Remuneration</b>	Nil
<b>Perquisite</b>	Nil
<b>Other Benefits (if any)</b>	Nil
<b>Commission</b>	Nil
<b>Sitting Fees</b>	Nil

**ii. Non-Executive Directors**

Non-Executive Directors including Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board. They are entitled to a sitting fee for attending the



meeting of the Board and the Committee thereof respectively.

*Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.*

## SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Prospectus:

Sr. No.	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our Company
1.	Mr. Santosh Kumar Agrawal	42,36,100	47.07%
2.	Mr. Sunil Kumar Agrawal	31,00,823	34.45%
3.	Mr. Vineet Agrawal	88,473	0.98%
4.	Mr. Mukesh Chand Jain	Nil	Nil
5.	Mr. Gaurav Gupta	Nil	Nil
6.	Mrs. Ashi Jain	Nil	Nil

## INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### *Interest in promotion of Our Company*

Except Promoters, none of our non-promoter Directors have any interest in the promotion of our Company.

### *Interest in the property of Our Company*

Except as disclosed below, our do not have any interest in any property acquired by Our Company in last two years or proposed to be acquired by our Company.

1. The Registered office of the company situated at D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi, India, 110020 is owned by our Managing Director, Mr. Santosh Kumar Agrawal. We have duly added a risk factor for the unforeseen situation in the future under chapter titled "Risk Factors" on Page no. 30.

### *Interest in the business of Our Company*

Save and except as stated otherwise in Related Party Transaction in the chapter titled "Financial Information" beginning on page no. 240 of this Prospectus, Our Directors do not have any other interests in our Company as on the date of this

Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

#### ***Details of Service Contracts***

None of our directors have entered into any service contracts with our Company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

#### **Bonus or Profit-Sharing Plan for the Directors**

There is no bonus or profit-sharing plan for the Directors of our Company.

#### **Contingent and Deferred Compensation Payable to Directors**

No Director has received or is entitled to any contingent or deferred compensation.

#### **Other Indirect Interest**

Except as stated in chapter titled — “*Financial Information*” beginning on page 186 of this Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our directors.

#### **Borrowing Power of the Board**

The Board of Directors are vested with the power to borrow, pursuant to Section 179(3)(d) of Companies Act 2013. However, pursuant to Section 180(1)(c) Companies Act, 2013 and the rules made thereunder that any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), exceeds the aggregate of the paid-up capital of the Company and free reserve, the approval of shareholders by way of Special Resolution will be required. The company has passed a special resolution dated October 16, 2023 for approval of borrowing limits not exceeding Rs. 200 crores only.

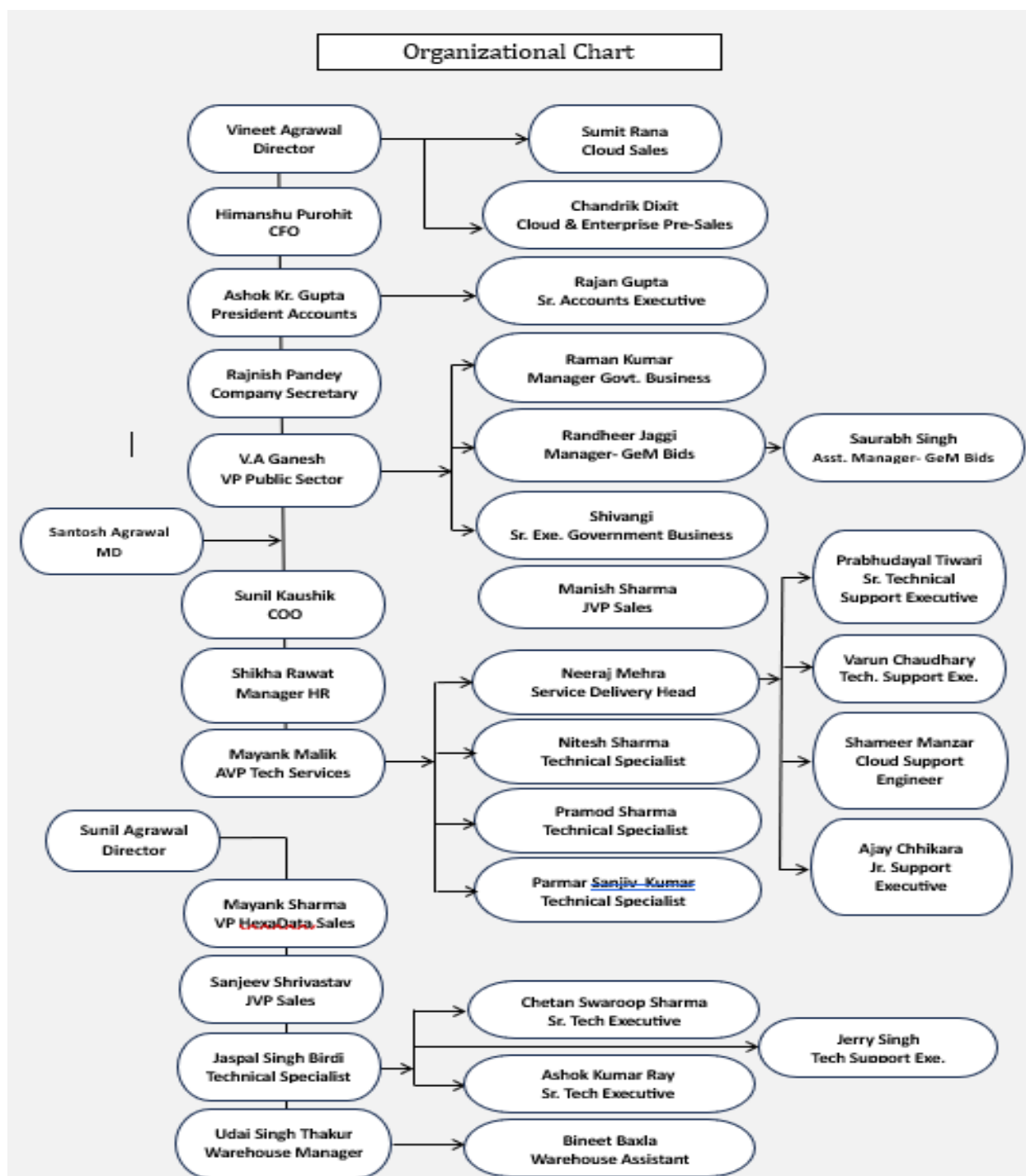
#### **Changes in The Board for the Last Three Years**

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

<b>Name of Director</b>	<b>Date of Event (M/D/Y)</b>	<b>Reason for Change</b>
Vineet Agrawal	July 25, 2023	Appointment as Executive Director
Santosh Kumar Agrawal	September 10, 2023	Change in designation to Managing Director
Sunil Kumar Agrawal	September 25, 2023	Change in designation to Whole-time director
Vineet Agrawal	September 25, 2023	Change in designation to Whole-time director
Mukesh Chand Jain	October 05, 2023	Appointment as Independent Director
Gaurav Gupta	October 05, 2023	Appointment as Independent Director
Ashi Jain	October 05, 2023	Appointment as Independent Director

## Management Organization Structure

### Organizational Chart



## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors, woman director on our Board, constitution of an Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

### AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated November 02, 2023 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mrs. Ashi Jain	Chairperson	Non-Executive Independent Director
Mr. Mukesh Chand Jain	Member	Non-Executive Independent Director
Mr. Santosh Kumar Agrawal	Member	Managing Director

Our Company Secretary and Compliance officer (Rajnish Pandey) will act as the secretary of the Committee.

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

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds

7. of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Review and monitor the auditor's independence and performance and effectiveness of audit process.
9. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the Company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussion with internal auditors on any significant findings and follow up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.

**The Audit Committee enjoys following powers:**

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit committee.

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

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on November 02, 2023. As on the date of this Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Gaurav Gupta	Chairman	Non-Executive independent Director
Mrs. Ashi Jain	Member	Non-Executive Independent Director
Mr. Mukesh Chand Jain	Member	Non-Executive Independent Director

Our Company Secretary and Compliance officer (Rajnish Pandey) will act as the secretary of the Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

1. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria, laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The Meetings of the Committee shall be held at such regular intervals as may be required. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, including at least one independent director.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been formed by the Board of Directors, at the meeting held on November 02, 2023. As on the date of this Prospectus the Stakeholders Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mukesh Chand Jain	Chairman	Non- Executive Independent Director
Mr. Sunil Kumar Agrawal	Member	Executive- Whole Time Director
Mr. Mukesh Chand Jain	Member	Executive-Managing Director

Our Company Secretary and Compliance officer (Rajnish Pandey) will act as the secretary of the Committee.

This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

1. Allotment and listing of our shares in future.
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Stakeholders Relationship Committee is required to meet at-least once in a year.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

### Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

### KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

<b>Name</b>	: <b>Mr. Santosh Kumar Agrawal</b>
<b>Designation</b>	: Chairman & Managing Director
<b>Date of Appointment</b>	: September 10, 2023
<b>Expiration of Term</b>	: September 09, 2028
<b>Qualification</b>	: <ul style="list-style-type: none"> <li>• Bachelor in Commerce (B.COM) from Guru Ghasidas University, Bilaspur (M.P)</li> <li>• Master's in Business Administration (MBA) from Global Institute of Management &amp; Technology</li> </ul>
<b>Previous Employment</b>	: Electro Sales Corporation
<b>Overall Experience</b>	: 26 Years
<b>Remuneration paid in F.Y. 2022-23)</b>	: Rs. 30,00,000 per annum

<b>Name</b>	: <b>Mr. Sunil Kumar Agrawal</b>
<b>Designation</b>	: Whole-time director
<b>Date of Appointment</b>	: September 25, 2023
<b>Expiration of Term</b>	: September 24, 2028
<b>Qualification</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Commerce (B.Com.), Accounting and Taxation from Guru Ghasidas University</li> <li>• Bachelor of Laws (LLB) from Guru Ghasidas University</li> </ul>
<b>Previous Employment</b>	: Electro Sales Corporation
<b>Overall Experience</b>	: 25 Years
<b>Remuneration paid in F.Y. (2022-23)</b>	: Rs. 30,00,000 per annum

<b>Name</b>	: <b>Mr. Vineet Agrawal</b>
<b>Designation</b>	: Whole-time director
<b>Date of Appointment</b>	: September 25, 2023
<b>Expiration of Term</b>	: September 24, 2028
<b>Qualification</b>	: Pursuing Bachelor in Computer Application from Amity University
<b>Previous Employment</b>	: Not Applicable
<b>Overall Experience</b>	: Not Applicable
<b>Remuneration paid in F.Y. (2022-23)</b>	: Not Applicable

<b>Name</b>	: <b>Mr. Himanshu Purohit</b>
<b>Designation</b>	: Chief Financial Officer

<b>Date of Appointment</b>	: November 02, 2023
<b>Qualification</b>	: <ul style="list-style-type: none"> <li>Chartered Accountant – The Institute of Chartered Accountants of India (ICAI)</li> <li>Bachelor of Commerce Honors (B. Com – Hons)- Delhi University (DU)</li> <li>Masters of Commerce (M. Com), Finance &amp; Tax- Indira Gandhi National Open University (IGNOU)</li> <li>Post Graduate Diploma in Business Administration, Finance- SYMBIOSIS International University</li> </ul>
<b>Previous Employment</b>	: <ul style="list-style-type: none"> <li>Tax Consultant – Nitish Jain and Associates</li> <li>Accounts Executive- Sealato India</li> <li>Article Assistant- Sanjay Shashi &amp; Associates</li> </ul>
<b>Overall Experience</b>	: 2 Years and 7 months
<b>Remuneration paid in F.Y. 2022-23</b>	: Not Applicable

<b>Name</b>	: <b>Mr. Rajnish Pandey</b>
<b>Designation</b>	: Company Secretary & Compliance Officer
<b>Date of Appointment</b>	: November 02, 2011
<b>Qualification</b>	: <ul style="list-style-type: none"> <li>Bachelor of Commerce (Computer Application)- Maharishi Mahesh Yogi Vedic Vishwavidyalaya (Jabalpur).</li> <li>Company Secretary- Institute of Company Secretaries of India (ICSI)</li> </ul>
<b>Previous Employment</b>	: <ul style="list-style-type: none"> <li>Company Secretary – Assistant Manager-Shine Star Build-Cap Private Limited – PACE Stock Group.</li> <li>CS Management Trainee-Dish TV India Limited.</li> <li>CS Management Trainee-ATS Infrastructure Limited</li> </ul>
<b>Overall Experience</b>	: 2 Years
<b>Remuneration paid in F.Y. 2022-23</b>	: Not Applicable

**Notes:**

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

**Family Relationship Between Key Managerial Personnel**

Except as discussed below, none of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

S. No.	Name of the Director	Other Director	Relationship with other Director
1.	Mr. Santosh Kumar Agrawal	Mr. Sunil Kumar Agrawal	Brother
2.	Mr. Santosh Kumar Agrawal	Mr. Vineet Agrawal	Father-Son

**Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel**

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

**Contingent and Deferred Compensation Payable to Key Managerial Personnel**



None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

### Shareholding of the Key Managerial Personnel

Except as discussed below, none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Prospectus.

Sr. No.	Name of Key Managerial Personnel (KMP)	No. of Equity Shares Held	% of pre-issue paid-up Equity Share capital in our Company
1.	Mr. Santosh Kumar Agrawal	42,36,100	47.07%
2.	Mr. Sunil Kumar Agrawal	31,00,823	34.45%
3.	Mr. Vineet Agrawal	88,473	0.98%

### Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### Changes in Our Company's Key Managerial Personnel During Last three Years

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of KMP	Date of Change	Reason
1.	Mr. Santosh Kumar Agrawal	September 10, 2023	Re- designation as Chairman & Managing Director
2.	Mr. Sunil Kumar Agrawal	September 25, 2023	Re- Designation as Whole Time Director
3.	Mr. Vineet Agrawal	September 25, 2023	Re- Designation as Whole Time Director
4.	Mr. Himanshu Purohit	November 02, 2023	Reason- Designation as Chief Financial Officer
5.	Mr. Rajnish Pandey	November 02, 2023	Appointment as Company Secretary & Compliance Officer

*Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.*

### Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

### Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel other than the loan mentioned in the chapter – “Restated Financial Statement” beginning from page no. 186.

### Payment of Benefits to Officers of Our Company (Non-Salary Related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “Financial Information” and the chapter titled “Our Business” beginning on pages 186 and 112 of this Prospectus, we have not paid/given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the

date of this Prospectus.

#### **RETIREMENT BENEFITS**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company

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## OUR PROMOTERS AND PROMOTER GROUP

### OUR INDIVIDUAL PROMOTER:

1. Mr. Santosh Kumar Agrawal
2. Mr. Sunil Kumar Agrawal
3. Mr. Vineet Agrawal

### DETAILS OF OUR INDIVIDUAL PROMOTER



**Mr. Santosh Kumar Agrawal**

Mr. Santosh Kumar Agrawal, aged 54 years, is the promoter and chairman cum Managing Director of our company. He was originally appointed on the Board on March 30, 2012 (Since inception). He has founded Esconet Technologies Limited in 2012. He holds two degrees in Commerce and Master of Business Administration, Information Technology from Guru Ghasidas University. He is a second-generation entrepreneur who began his IT journey in 2003 with Electro Sales Corporation, trading in hardware and software. Rooted in strong trust and values, he transformed the business in 2012 to Esconet Technologies, focusing on IT solutions, cloud computing, and fostering long-lasting relationships with clients

Permanent Account Number: AFNPA6347N



**Mr. Sunil Kumar Agrawal**

Mr. Sunil Kumar Agrawal, aged 45 years, is the promoter and Whole Time Director of our company. He was originally appointed on the Board on March 30, 2012 (Since inception). He has founded Esconet Technologies Limited in 2012. He holds two degrees in Commerce and Bachelor of Laws (LLB) from Guru Ghasidas University. Sunil Agrawal, a second-generation entrepreneur embarked on his IT journey in 1998 with Electro Sales Corporation, specializing in hardware and software trading. As a commerce and law graduate with an innate knack for mechanical engineering and IT hardware, Sunil's innovative approach to technology was evident from the start.

Permanent Account Number: AFLPA0318R



**Mr. Vineet Agrawal**

Mr. Vineet Agrawal, aged 27 years, is a dynamic and ambitious third-generation entrepreneur, currently serving as the promoter and Whole Time Director of Esconet Technologies Ltd. With a keen aptitude for learning and a robust work ethic, he has quickly distinguished himself in the fields of sales and marketing. As a fast learner and a hardworking executor, Agrawal's dedication to excellence is evident in his approach to his role within the company. His youthful energy and innovative thinking promise a bright future for both himself and Esconet Technologies. His leadership is expected to contribute significantly to the growth and success of the company in the and services sector. IT Infrastructure solution sales and service sector.

Mr. Vineet Agarwal is the visionary behind ZeaCloud Services, serving as its Promoter. The inception of ZeaCloud Services stems from his innovative idea to establish a company dedicated to providing cloud services to its clients.

Permanent Account Number: BVUPA9782M

Our Company confirms that the permanent account number, bank account number, Passport number and Aadhar Card of our promoter, shall be submitted to the NSE at the time of filing the Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulation 2(1) (pp) of SEBI (ICDR) Regulations,2018 includes the following persons:

##### **a. Individual Promoter**

The natural persons who are part of our Promoter Group (due to the relationship with our Promoter), other than the Promoter named above are as follows:

Sr. No.	Relationship	Mr. Santosh Kumar Agrawal	Mr. Sunil Kumar Agrawal	Mr. Vineet Agrawal
1.	Father	Late Shri Shyam Lal Agrawal	Late Shri Shyam Lal Agrawal	Santosh Kumar Agrawal
2.	Mother	Smt. Savitri D Agrawal	Smt. Savitri D Agrawal	Abha Agrawal
3.	Spouse	Smt. Abha Agrawal	Smt. Monita Agrawal	N.A.
4.	Son	Sh. Vineet Agrawal	N.A.	N.A.
5.	Daughter	Smt. Pooja Gupta	Shubhangi Agrawal Sanvi Agrawal	N.A.
6.	Brother	Sh. Anil Kumar Agrawal Sh. Sunil Kumar Agrawal	Sh. Anil Kumar Agrawal Sh. Santosh Kumar Agrawal	N.A.
7.	Sister	N.A.	N.A.	Pooja Gupta
8.	Spouse Father	Late Bawarilal Saraogi	Sh. Raghubar Dayal Agrawal	N.A.
9.	Spouse Mother	Late Sushila Devi Saraogi	Smt. Urmila Devi Agrawal	N.A.
10.	Spouse Brother	Ajay Saraogi and Abhay Saraogi	Lokesh Agrawal	N.A.
11.	Spouse Sister	N.A.	N. A	N. A

#### **4. Companies, Limited Liability Partnership firms, Partnership Firm and Hindu Undivided Family (HUF) forming part of our Promoter Group are as follows:**

Relationship Promoter with	Individual Promoter	
----------------------------	---------------------	--

	Mr. Santosh Kumar Agrawal	Mr. Sunil Kumar Agrawal	Mr. Vineet Agrawal
Any company in which 20% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relatives is a member	1. Abro Intrade LLP.	1. Abro Intrade LLP.	1. Abro Intrade LLP
Any company in which a company (mentioned above) holds 20% of the total holding	-	-	-
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 20% of the total holding	1. Aakriti Construction- Partnership Firm. 2. Matashri Buildcon- Partnership Firm 3. Shyam Lal Agrawal- HUF	1. Aakriti Construction- Partnership Firm. 2. Matashri Buildcon- Partnership Firm 3. Shyam Lal Agrawal- HUF	1. Aakriti Construction- Partnership Firm. 2. Matashri Buildcon- Partnership Firm 3. Shyam Lal Agrawal- HUF

## OTHER UNDERTAKINGS AND CONFIRMATIONS

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoter of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoter during the past three years
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 275 of this Prospectus.
- None of our Promoters person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

## COMMON PURSUITS OF OUR PROMOTERS

Except Abro Intrade LLP, none of our Promoter Group Entity is having business objects similar to our business as mentioned in the Chapter “Our Group Entities” beginning on page 183 of this Prospectus.

## INTEREST OF THE PROMOTERS

### *Interest in the promotion of Our Company*

Our Promoters Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal and Mr. Vineet Agrawal may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by them as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, Our Promoter may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner.

### ***Interest in the property of Our Company***

Except as disclosed below, our Promoters do not have any interest in any property acquired by Our Company in last two years or proposed to be acquired by our Company.

4. The Registered office of the company situated at D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi, India, 110020 is owned by our promoter, Mr. Santosh Kumar Agrawal. We have duly added a risk factor for the unforeseen situation in the future under chapter titled “Risk Factors” on Page no. 30.

### ***Interest as Member of our Company***

As on the date of this Prospectus, our Promoters and Promoter Group together hold 80,26,196 (89.18%) Equity Shares of our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company, our Promoters does not hold any other interest in our Company.

### ***Payment Amounts or Benefit to Our Promoters during the Last Two Years***

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Prospectus except as mentioned / referred to in this chapter and in the section titled ‘Our Management’, ‘Financial Statements’ and ‘Capital Structure’ on page 163, 186 and 61 respectively of this Prospectus. Further as on the date of this Prospectus, there is no bonus or profit-sharing plan for our Promoters.

### **CONFIRMATIONS**

For details on litigations and disputes pending against the Promoters and defaults made by them including violations of securities laws, please refer to the section titled “Outstanding Litigation and Material Developments” on page 275 of this Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority.

## **OUR GROUP ENTITIES**

As per definition of group companies as per Sections 2(1)(t) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 shall include (i) the companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements during any of the last three Fiscals in respect of which the Restated Financial Information is included in this Prospectus; and (ii) such other companies as are considered material by the Board. Our Board considered the below mentioned companies as material, pursuant to which the following entities are identified as Group Entities of our Company-

There is no company which is considered material by the Board of Directors of our Company to be identified as Group Company.

## **CONFIRMATION**

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the group entities have negative net worth as on the date of this Prospectus.

Further, our company or our group entity or any entity promoted by the promoters, has not been in default in payment of listing fees to any stock exchange in the last three years or has not been delisted or suspended in the past and not been proceeded against by SEBI or other regulatory authority in connection with investor related issues or otherwise.

## **INTEREST OF OUR GROUP ENTITIES**

None of our Group Entities are interested in the promotion of our Company. Except as disclosed in the section titled “Restated Financial Statements” beginning on page 186 of the Prospectus and to the extent of their shareholding in our Company, our Group Entities do not have any other interest in our Company.

## **SICK COMPANIES / WINDING UP**

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There are no winding up proceedings against any of the Promoter Group Entities.

## **LITIGATION**

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled, ‘Outstanding Litigations and Material Developments’ beginning on page 275 of this Prospectus.

## **DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS**

None of our Promoters have disassociated themselves from any of the companies/ partnership firms during preceding three years.

## **SALES / PURCHASES BETWEEN OUR COMPANY AND GROUP ENTITIES**

There is no sale purchase between our Company and Group Entities except as mentioned in Annexure IV, Note 3: Related Party Disclosures under the chapter titled “Financial Statement” beginning on page 240 of this Prospectus.

## **COMMON PURSUITS**

There are no common pursuits among our Company and Group Entities or any objects similar to that of our Company’s business

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## **RELATED PARTY TRANSACTION**

For details on related party transaction of our Company, please refer to Annexure IV, Note 3 of Restated Financial statement beginning on page 240 of this Prospectus.

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## **DIVIDEND POLICY**

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

We have not declared dividend in any Financial Year.

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## SECTION IX - FINANCIAL STATEMENTS

### RESTATED FINANCIAL INFORMATION

#### INDEPENDENT AUDITORS' REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**To**

The Board of Directors

**Esconet Technologies Limited** (formerly known as Esconet Technologies Private Limited)

D-147 Okhla Industrial Area Phase 1,

South Delhi, New Delhi, India, 110020

**Dear Sirs,**

1. We have examined the attached Restated Consolidated Financial Information of ESCONET TECHNOLOGIES LIMITED (hereunder referred to "the Company", "Issuer") comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2023 and March 31, 2023, the Restated Consolidated Statement of Profit & Loss, the Restated Consolidated Statement of Cash Flows for the six months period ending on September 30, 2023 and for the years ending on March 31, 2023, the Consolidated Statement of Basis of Preparation and Significant Accounting Policies and notes to the Restated Consolidated Financial Information and other explanatory information thereto (Collectively the Restated Consolidated Financial Information) as approved by the Board of Directors in their meeting held on November 30, 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer (IPO) of Equity Shares, prepared by the company in terms of the requirement of: -
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act")
  - b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

#### **Managements' Responsibility for the Consolidated Restated Financial Information:**

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited ("Stock Exchanges") and Registrar of Companies, Delhi and Haryana at New Delhi in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company for the six months period ending on September 30, 2023 and for the years ended on March 31, 2023 on the basis of preparation stated in ANNEXURE - IV to the Restated Consolidated Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

#### **Auditors' Responsibility**

3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 11, 2023 in connection with the proposed IPO of the Company;
  - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the proposed IPO;

**Restated Consolidated Financial Information as per audited Consolidated Financial Statements**

4. These Restated Consolidated Financial Information have been compiled by the management from the audited interim consolidated financial statements of the Company as at and for the six months period ended September 30, 2023 prepared in accordance with recognition and measurement principles of Accounting Standards 25 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India ("Interim Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on November 30, 2023. The comparative information as at and for the year ended March 31, 2023 included in such interim financial statements are derived as per requirements of Part A of Schedule VI of the ICDR Regulations, prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India.
5. For the purpose of our examination, we have relied on our audit report dated October 20, 2023 issued on the interim consolidated financial statements of the Company as at and for the six months period ended September 30, 2023; with comparative information as at and for the year ended March 31, 2023, as referred in para 4 above.
6. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, the ICDR Regulations and the Guidance Note, we report that:
  - a) The Restated Consolidated Statement of Assets and Liabilities of the Company, including as at September 30, 2023 and for the year ended March 31, 2023 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Consolidated Financial Information.
  - b) The Restated Consolidated Statement of Profit & Loss of the Company, including for the six months period ending on September 30, 2023, and for the year ending on March 31, 2023 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Consolidated Financial Information.
  - c) The Restated Consolidated Statement of Cash Flows of the Company, including for the six months period ending on September 30, 2023, and for the year ending on March 31, 2023 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Consolidated Financial Information.
7. At the request of the company, we have also examined the following consolidated financial information ("Other Consolidated Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
  - (a) Note I.1 - Restated Consolidated Statement of Share Capital
  - (b) Note I.2 - Restated Consolidated Statement of Reserves & Surplus
  - (c) Note I.3 - Restated Statement of Long-term Borrowings
  - (d) Note I.4 - -Restated Consolidated Statement of Long-term Provisions
  - (e) Note I.5 - Restated Statement of Short-term Borrowings
  - (f) Note I.6 - Restated Consolidated Statement of Trade Payables
  - (g) Note I.7 - Restated Consolidated Statement of Other Current Liabilities
  - (h) Note I.8 - Restated Consolidated Statement of Short Term Provisions

- (i) Note I.9 - Restated Consolidated Statement of Property, Plant & Equipment and Intangible Assets
  - (j) Note I.10 - Restated Consolidated Statement of Deferred Tax Assets/(Liabilities)
  - (k) Note I.11 - Restated Consolidated Statement of Non- current investments
  - (l) Note I.12 - Restated Consolidated Statement of Inventories
  - (m) Note I.13 - Restated Consolidated Statement of Trade receivables
  - (n) Note I.14 - Restated Consolidated Statement of Cash and cash equivalents
  - (o) Note I.15 - Restated Consolidated Statement of Short term loans and advances
  - (p) Note I.16 - Restated Consolidated Statement of Other current assets
  - (q) Note II.1 - Restated Consolidated Statement of Revenue from Operations
  - (r) Note II.2 - Restated Consolidated Statement of Other income
  - (s) Note II.3 - Restated Consolidated Statement of Purchases
  - (t) Note II.4 - Restated Consolidated Statement of Changes in Inventories of Stock- in- Trade
  - (u) Note II.5 - Restated Consolidated Statement of Employee Benefit Expenses
  - (v) Note II.6 - Restated Consolidated Statement of Finance cost
  - (w) Note II.7 - Restated Consolidated Statement of Other Expenses
  - (x) Note II.8 - Restated Consolidated Statement of Earnings per Share
  - (y) Annexure V and Annexure V.I - Restated Consolidated Statement of Accounting Ratios
  - (z) Annexure VI - Restated Consolidated Statement of Capitalisation
  - (za) Annexure VII - Restated Consolidated Statement of Tax Shelters
8. Based on our examination and according to the information and explanations given to us and based on the para 5 above, we report that the Restated Consolidated Financial Information:
- a) has been prepared after incorporating adjustments, if any, for the changes in accounting policies and regrouping/ reclassifications retrospectively in the financial year ended March 31, 2023 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six months period ended September 30, 2023;
  - b) there were no qualifications in Auditor's Report on the Audited Consolidated Financial Statements of the Company for the year ended March 31 2023 and for the six months period ended September 30, 2023 which require any adjustments to the Restated Consolidated Financial Information; and
  - c) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited Financial Statements mentioned in para 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Delhi and Haryana at New Delhi in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose

except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**  
**UDIN: 2352858BGUKRO1293**

Place: New Delhi  
Date: 30.11.2023

# **RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

**Annexure I**

**(Rs. in Lakhs)**

Particulars	Note No.	As at 30th September 2023	As at 31st March 2023
<b>I. Equity and Liabilities</b>			
<u>Shareholders' Funds</u>			
(a) Share capital	I.1	77.78	76.71
(b) Reserve and surplus	I.2	825.19	477.48
(c) Minority Interest		-	34.42
<u>Non- current liabilities</u>			
(a) Long term borrowings	I.3	251.10	341.07
(b) Long term provisions	I.4	31.20	28.83
<u>Current liabilities</u>			
(a) Short term borrowings	I.5	757.85	762.82
(b) Trade payables	I.6		
- Total outstanding dues of micro enterprises and small enterprises, and		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,201.22	1,006.32
(c) Other current liabilities	I.7	66.78	63.13
(d) Short term provisions	I.8	49.34	7.59
<b>Total Equity and Liabilities</b>		<b>4,260.46</b>	<b>2,798.37</b>
<b>II. Assets</b>			
<u>Non- current assets</u>			
(a) Property, plant and equipment and intangible assets	I.9		
- Property, plant and equipment		228.78	223.07
(b) Deferred tax assets (net)	I.10	23.95	22.46
<u>Current assets</u>			
(a) Inventories	I.12	1,366.99	856.96
(b) Trade receivables	I.13	2,527.33	1,146.16
(c) Cash and cash equivalents	I.14	73.14	114.28
(d) Short term loans and advances	I.15	30.36	41.38
(e) Other current assets	I.16	9.91	394.06
<b>Total Assets</b>		<b>4,260.46</b>	<b>2,798.37</b>

The above statements should be read with the Significant accounting policies and notes on Restated Consolidated Financial Information appearing in Annexure IV.

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited (formerly known as**  
**Esconet Technologies Private Limited)**

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
Managing Director  
DIN: 00493749

**Sunil Kumar Agrawal**  
Director  
DIN: 00493820

UDIN: 23520858BGUKRO1293

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

New Delhi, the 30<sup>th</sup> day of November 2023

# RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Annexure II

(Rs. in Lakhs)

Particulars		Note No.	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023
I	Revenue from operations	II.1	7,141.59	9,659.26
II	Other income	II.2	5.12	31.58
III	<b>Total income (I+II)</b>		<b>7,146.71</b>	<b>9,690.84</b>
IV	<u>Expenses:</u>			
	Purchases		6,137.54	7,735.52
	Changes in inventories of stock- in- trade	II.3	-510.03	-271.45
	Employee benefit expenses	II.4	253.11	525.68
	Finance cost	II.5	80.71	115.40
	Depreciation and amortization	I.9	32.32	92.49
	Other expenses	II.6	742.18	1,028.14
	<b>Total expenses</b>		<b>6,735.83</b>	<b>9,225.78</b>
V	Profit before exceptional items and extra- ordinary items and tax		<b>410.88</b>	<b>465.06</b>
VI	Exceptional Items and extra ordinary item		-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>		<b>410.88</b>	<b>465.06</b>
	Tax expenses:			
	- Current Tax		107.14	133.60
	- Tax adjustments for earlier year		-	-
	- Deferred Tax		-1.73	13.04
VIII	<b>Total tax expenses</b>		<b>105.41</b>	<b>146.64</b>
IX	<b>Profit/(Loss) After Tax (VII-VIII)</b>		<b>305.47</b>	<b>318.42</b>
X	Transferred to Minority Interest		-	14.42
XI	<b>Profit/(Loss) for the period (VII-VIII)</b>		305.47	304.00
XII	Earnings per Equity Share:	II.6		
	Number of Share			
	(1) Basic (Rs.)		39.73	39.63
	(2) Diluted (Rs.)		39.73	39.63
	*EPS Not Annualised			

As per our report of even date

For **Goel Mintri & Associates**  
Chartered Accountants  
Firm Regn No.: 013211N

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
Partner  
Membership No.: 520858

**Santosh Kumar Agrawal**  
Managing Director  
DIN: 00493749

**Sunil Kumar Agrawal**  
Director  
DIN: 00493820

UDIN: 23520858BGUKRO1293



New Delhi, the 30<sup>th</sup> day of November 2023

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

# **RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS**

**Annexure III**

**(Rs. in Lakhs)**

Particulars	From 2023 to 01-04-30-09-2023	For Year ended 31-03-2023
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	410.88	465.06
Adjustment For:		
Depreciation & Amortization	32.32	92.49
Loss/(Gain) on Sale of PPE and intangible assets	-4.78	-18.59
Loss/(Gain) on Sale of long term investments	-	-
Foreign exchange fluctuation loss/ (gain)	-	3.05
Interest and other financial costs	80.72	115.40
Interest Income	-0.34	-7.77
Operating profit before working capital changes	518.79	649.65
Adjustments For:		
(Increase)/Decrease in inventories	-510.02	-271.45
(Increase)/Decrease in trade receivable	-1,381.17	253.63
(Increase)/Decrease in short- term loans and advances	11.02	8.42
(Increase)/Decrease in other current assets	350.43	-330.59
Increase/(decrease) in trade payable	1,194.90	-305.73
Increase/(decrease) in other current liabilities	3.65	-8.60
Increase/(decrease) in provisions	2.73	0.89
Cash Generated from operations	190.34	-3.78
Direct tax adjustments	32.04	38.47
<b>Net Cash Flow from Operating Activities (A)</b>	<b>158.30</b>	<b>-42.25</b>
<b>B. Cash Flow From Investing Activities</b>		
(Purchase)/ of Property, plant & equipment	-33.25	-115.86
(Acquisition)/ disposal of subsidiary	9.12	-
Interest income	0.34	7.77
<b>Net Cash flow from Investing Activities</b>	<b>-23.79</b>	<b>-108.09</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds (Repayment) of short term borrowings	-89.97	-55.37
Proceeds (Repayment) of Long term borrowings	-4.97	384.43
Changes in minority interest	-	20.00
Interest and other financial cost	-80.72	-115.40
<b>Net cash generated from/(used in) financing activities</b>	<b>-175.65</b>	<b>233.66</b>
<b>D. Increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>-41.14</b>	<b>83.31</b>
Add: Cash & Cash Equivalent at the beginning of the year	114.28	30.97
<b>E. Cash &amp; Cash Equivalent at the end of the year</b>	<b>73.14</b>	<b>114.28</b>
<u>Components of Cash &amp; Cash Equivalents</u>		
Cash in hand	1.33	1.10
Balances with banks	31.84	53.26
<b>Total cash &amp; cash equivalents</b>	<b>33.17</b>	<b>54.36</b>
Add: Fixed Deposit with banks having original maturity over three months	39.97	59.92
<b>Cash &amp; cash equivalents (Note I.12)</b>	<b>73.14</b>	<b>114.28</b>

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

UDIN: 23520858BGUKRO1293

**New Delhi, the 30<sup>th</sup> day of November, 2023**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Santosh Kumar Agrawal**  
Managing Director  
DIN: 00493749

**Sunil Kumar Agrawal**  
Director  
DIN: 00493820

**Himanshu Purohit**  
Chief Financial Officer  
PAN: CBNPP3762J

**Rajnish Pandey**  
Company Secretary  
PAN: DCQPP6580K

**Note-I.1: Restated Consolidated Statement of Share Capital****(Amount Rs. in lakhs, unless otherwise stated)**

<b>Particulars</b>	<b>As at 30th September 2023</b>	<b>As at 31st March 2023</b>
<b><u>Authorized</u></b>		
Equity Shares of Rs.10/- each	150.00	100.00
<b>Total</b>	<b>150.00</b>	<b>100.00</b>
<b><u>Issued, Subscribed &amp; fully paid up</u></b>		
Equity Shares of Rs.10/- each	77.78	76.71
<b>Total</b>	<b>77.78</b>	<b>76.71</b>

**Increase in Authorised Capital**

During the period from 1st April 2023 to 30th September 2023, the authorised equity share capital of the company was increased vide approval of shareholders of the Company dated September 23, 2023 from existing Rs. 100 Lakhs (divided into 10,00,000 equity shares @ 10/- each) to Rs. 1,500.00 Lakhs (divided into 1,50,00,000 equity shares of Rs. 10/- each).

**Terms/ Right Attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- (Earlier years Rs.10/-) per share. Each holder of equity shares is entitled to vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Reconciliation of shares outstanding at the beginning and at the end of Reporting Period**

<b>Particulars</b>	<b>30th September 2023</b>		<b>31st March 2023</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
Share capital at the beginning of the period	7,67,100	76.71	7,67,100	76.71
Share capital issued during the period	10,723	1.07	-	-
<b>Outstanding at the end of the period</b>	<b>7,77,823</b>	<b>77.78</b>	<b>7,67,100</b>	<b>76.71</b>

**During 1st April 2023 to 30th September 2023: -**

The company has issued 10,723 equity shares of Rs. 10 each at an issue price of Rs. 321 per equity share by way of private placement for a consideration other than cash in order to purchase investment in shares of M/s Zeacloud Services Private Limited.

**Details of shareholders holding more than 5% shares in the company**

<b>Particulars</b>	<b>30th September 2023</b>		<b>31st March 2023</b>	
	<b>No. of Shares</b>	<b>% Holding</b>	<b>No. of Shares</b>	<b>% Holding</b>
Santosh Agrawal	3,85,100	49.51%	3,85,100	50.20%
Sunil Agrawal	2,81,893	36.13%	2,81,000	36.63%
Abro Intrade LLP	-	-	1,01,000	13.17%
<b>Total</b>	<b>6,66,993</b>	<b>85.75%</b>	<b>7,67,100</b>	<b>100.00%</b>

### Shares held by promoters in the Company

Promoter Name	Shares held by the promoters at the end of the period			
	30th September 2023		31st March 2023	
	No. of Shares	% of total Shares	No. of Shares	% of total Shares
Santosh Agrawal	3,85,100	49.51%	3,85,100	50.20%
Sunil Agrawal	2,81,893	36.24%	2,81,000	36.63%
<b>Total</b>	<b>6,66,993</b>	<b>85.75%</b>	<b>6,66,100</b>	<b>86.83%</b>

### Details of % change in shares held by promoters in the Company

Promoter Name	% Change from 31st March 2023 to 30th September 2023
Santosh Agrawal	0.00%
Sunil Agrawal	0.32%

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

### Note-I.2: Restated Consolidated Statement of Reserves & Surplus

(Amount “Rs. In Lakhs”, unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
<b><u>Reserves &amp; Surplus</u></b>		
<b><u>Capital reserve</u></b>		
Opening balance	-	-
Add: on acquisition of subsidiary	8.89	-
<b><u>Total Capital reserve (A)</u></b>	<b>8.89</b>	<b>-</b>
<b><u>Securities premium</u></b>		
Opening balance	-	-
Add: on issue of share capital	33.35	-
<b><u>Total Securities Premium (B)</u></b>	<b>33.35</b>	<b>-</b>
<b><u>Surplus in the statement of profit &amp; loss</u></b>		
As per Last Balance Sheet	477.48	173.48
Add: Restated Profit/(Loss) for the year	305.47	304.00
<b><u>Total Surplus (C)</u></b>	<b>782.95</b>	<b>477.48</b>
<b><u>Total Reserves &amp; surplus (A+B+C)</u></b>	<b>825.19</b>	<b>477.48</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Information appearing in Annexure I,II,III and IV respectively.

### Note -I.3: Restated Consolidated Statement of Long-term Borrowings

(Amount Rs. in lakhs, unless otherwise stated)

Particular	As at 30th September 2023	As at 31st March 2023
Finance lease obligation on vehicles (secured): -	72.82	45.80

Term loan from bank (secured)	19.83	33.04
From related parties (unsecured): -	158.45	262.23
<b>Total</b>	<b>251.10</b>	<b>341.07</b>

**Terms and Nature of loans :-**

Particular	30th September 2023	31st March 2023
<b>Finance lease obligation on vehicles</b>		
Interest Rates	8.25% to 10.25% p.a.	8.25% to 10.25% p.a.
Installments	36 to 60 months	36 to 60 months
Security	Secured against hypothecation of respective vehicles	

**Term loan from bank**

Interest Rates	8.25%	8.25%
Other stipulations	None	None
Security	Hypothecation of current assets being stock, book debts.	

**Unsecured loans from related parties**

Interest Rates	8% p.a.	8% p.a.
Other stipulations	None	None

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-I.4: Restated Consolidated Statement of Long-term Provisions**

(Amount Rs. in lakhs, unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
<b>Provision for employee benefits:</b>		
Gratuity	31.20	28.83
	-	-
<b>Total</b>	<b>31.20</b>	<b>28.83</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

## **Annexure IV- Significant Accounting Policies and Notes on Restated Consolidated Financial Information**

### **1. CORPORATE INFORMATION**

Esconet Technologies Limited (CIN: U51909DL2012PLC233739) was incorporated on 30th March 2012 as a Private Limited Company. The Company later on converted into public limited from 21st September 2023. The company has its Registered Office at D- 147, Okhla Industrial Area Phase- 1, New Delhi - 110020. The company is engaged in the business of trading of IT products including servers, workstations, related IT peripherals and providing IT enabled services.

### **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Preparation: -**

##### **a. Statement of compliance**

The Restated Consolidated Financial Information of the Company comprises of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2023 and March 31, 2023, the Restated Consolidated Statement of Profit & Loss, the Restated Consolidated Statement of Cash Flows for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, the Statement of Basis of Preparation and Significant Accounting Policies and notes to the Restated Consolidated Financial Information (hereinafter collectively referred to as 'Restated Consolidated Financial Information').

Following entities are considered in Restated Consolidated Financial Information:

<b>Particulars</b>	<b>Relationship</b>	<b>Percentage of ownership/interest</b>	
M/s Zeacloud Services Private Limited	Subsidiary	100.00%	None

The Restated Consolidated Financial Information has been approved by the Board of Directors in their meeting held on November 30, 2023.

The Restated Consolidated Financial Information has been prepared for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and Registrar of Companies ('ROC'), Delhi at New Delhi in connection with proposed initial public offering of its equity shares, in accordance with the requirements of: -

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act")
- Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

These Restated Consolidated Financial Information have been compiled by the management from the audited interim consolidated financial statements of the Company as at and for the six months period ended September 30, 2023 prepared in accordance with recognition and measurement principles of Accounting Standards 25 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India ("Interim Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 30 November 2023. The comparative information as at and for the year ended March 31, 2023 included in such interim consolidated financial statements are derived as per requirements of Part A of Schedule VI to the ICDR Regulations, prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India.

The Restated Consolidated Financial Information includes Financial Information of one wholly owned subsidiary viz., M/s Zeacloud Services Private Limited which incorporated on May 11, 2022 and become wholly owned subsidiary on September 5, 2023. The Company prepared its first interim consolidated financial statements as at and for the six months period ending on September 30, 2023 with comparative information as at and for the year ended March 31, 2023. As the subsidiary does not exist prior to May 11, 2022, separate financial statements cannot be prepared for the earlier years as per requirements of Part A of Schedule VI to the SEBI ICDR Regulations.

The Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements and: -

- there were no audit qualification in these audited financial statements;
- there were no changes in accounting policies during the respective years of these audited consolidated financial statements;
- there were no material adjustments for the previous years in arriving at profit/ losses of the respective years except those mentioned in Note 3(A) of Annexure IV of the Restated Consolidated Financial Information; and
- appropriate rearrangement/ regrouping(s) (including regrouping as required by the amended Schedule III by way of notification dated 24th March 2021) have been made in the Restated Consolidated Financial Information of assets and liabilities, statement of profit and loss and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per audited interim consolidated financial statements as at and for the six months period ended September 30, 2023 and audited consolidated financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with Schedule III of the Companies Act, 2013, requirement of AS- 5 and other accounting principles and the requirements of the SEBI ICDR Regulations.

**b. Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees, which is the company's functional currency. All amounts have been rounded to nearest lakh, unless otherwise stated.

**c. Basis of measurement**

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

**d. Use of estimates**

The preparation of consolidated financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the consolidated financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts, useful lives of property, plant and equipment, calculation of work in progress and tax expenses etc. The management believe that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

**B. Significant Accounting Policies: -**

**a. Principles of Consolidation**

The consolidated financial statements are related to the Company and its subsidiary(ies) have been prepared on the following basis: -

The Financial Statements of the company and its subsidiary company are combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements".

The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

Minority Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.



Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Investments other than in subsidiary have been accounted as per Accounting Standard -13 on "Accounting for Investments".

b. **Other significant accounting policies:**

These are set out under "Significant Accounting Policies" as given in the Company's restated standalone financial information.

### 3. NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

#### A. Adjustment made in the Restated Consolidated Financial Information

Appropriate adjustments have been made in the restated consolidated financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

##### a. Adjustments that are having impact on the net profits and shareholders' funds

Following adjustments were made in the restated consolidated financial information that have any impact on net profits or shareholders' funds for the respective years as per audited consolidated financial statements of the Company.

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Net Profit After Tax as per audited Consolidated financial statements</b>	305.47	303.03
Add/ (less): Exchange differences (Note 1)	-	0.97
<b>Net Profit After Tax as per restated consolidated financial information</b>	<b>305.47</b>	<b>304.00</b>

Particulars	30th September 2023	31st March 2023
<b>Shareholders' fund as per audited consolidated financial statements</b>	902.00	553.22
Add/ (less): Exchange differences (Note 1)	0.97	0.97
<b>Shareholders' funds as per restated consolidated financial information</b>	<b>902.97</b>	<b>554.19</b>

Note 1 The Company had recognised the trade payable in terms of foreign currency at rate prevailing on transaction date. As per requirements of para 11, foreign currency monetary items such as receivables, payables etc. should be reported at closing rate. The resultant difference shall be recognised as exchange difference in the statement of profit & loss for the relevant period. Hence, the figures have been restated and disclosed in terms of Accounting Standard 5 on Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies read with SEBI ICDR Regulations.

##### b. Adjustments that are not having impact on the net profit and shareholders' funds: -

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
(i) <b>Cash &amp; cash equivalents as per audited consolidated financial statements</b>	<b>92.62</b>	<b>135.40</b>
Add/ (less): Balance reclassified to short- term loans & advances	-19.48	-21.12
<b>Cash &amp; cash equivalents as per restated consolidated financial information</b>	<b>73.14</b>	<b>114.28</b>
(ii) <b>Purchases as per audited consolidated financial statements</b>	<b>6,137.54</b>	<b>7,739.55</b>
Add/ (less): Reclassified to other expenses	-	-4.03
<b>Purchases as per restated consolidated financial information</b>	<b>6,137.54</b>	<b>7,735.52</b>
(iii) <b>Employee benefit expenses as per audited consolidated financial statements</b>	<b>215.61</b>	<b>456.68</b>

Add/ (less): Reclassified to Employee Benefit Expenses	37.50	69.00
<b>Employee benefit expenses as per restated consolidated financial information</b>	<b>253.11</b>	<b>525.68</b>

**B. Contingent liabilities not provided for:**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Contingent liabilities in respect of:</b>		
	None	None
<b>Commitments (to the extent not provided for) :-</b>		
Guarantee issued to other companies	260.53	
Counter Guarantee given by bankers		
<b>Total</b>	<b>260.53</b>	<b>-</b>

**C. Employee Benefits**

**Gratuity: -**

The company has recognised its gratuity liability as per requirements of AS- 15 (Revised) on 'Employee Benefits' by way of actuarial valuation every year. necessary disclosure are made as under:

Amount recognised in the Balance Sheet: -

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Present Value of obligation at the beginning of the year</b>	<b>36.42</b>	<b>35.52</b>
Interest cost	1.37	2.58
Current service cost	2.15	4.21
Past service cost	-	-
Benefits paid (if any)	-	(3.80)
Actuarial (gain)/ loss	(0.78)	(2.09)
<b>Present value of obligation at the end of the year</b>	<b>39.15</b>	<b>36.42</b>
Less: Fair value of plan assets	-	-
<b>Liability recognised in the Balance Sheet (A)</b>	<b>39.15</b>	<b>36.42</b>
Current liability	7.96	7.59
Non current liability	31.20	28.83
<b>Total Liability (B)</b>	<b>39.16</b>	<b>36.42</b>

Amount recognised in the Balance Sheet: -

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
Interest cost	1.36	2.58
Current service cost	2.15	4.21
Actuarial (gain)/ loss	(0.78)	(2.09)
<b>Expense recognised in the Statement of Profit &amp; Loss</b>	<b>2.73</b>	<b>4.70</b>

Financial actuarial assumptions:

Particulars	30th September 2023	31st March 2023
Discount rate (p.a.)	7.50%	7.50%
Salary growth rate (p.a.)	5.00%	5.00%

**D. Related Party Disclosures in accordance with Accounting Standard (AS)-18 as notified pursuant to Companies (Accounting Standards) Rules, 2006, as amended.**

**d. List of related parties & relationships, where control exists.**

Nature of Relationship		Name of Related Parties	
	Nature of Relationship	30th September 2023	31st March 2023
<b>1</b>	<b>Key Management Personnel</b>	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)
		Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)
		Mr. Vineet Agrawal (Whole Time Director)	-----
<b>2</b>	<b>Relatives of Key Management Personnel</b>	-----	-----
<b>3</b>	<b>Enterprises where Significant Influence exist by Key Management Personnel or their Relatives</b>	-----	-----

**e. Transactions with Related Parties**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Mr. Santosh Agrawal</b>		
Remuneration	18.00	30.00
Interest paid	6.52	19.40
Rent paid	27.00	54.00
Loan received	-	59.40
Loan repaid	107.92	81.44
<b>Mr. Sunil Agrawal</b>		
Remuneration	18.00	30.00
Interest paid	0.84	3.48
Loan received	-	23.48
Loan repaid	3.21	40.85
Acquisition of non- current investments	-	-
<b>Mr. Vineet Agrawal</b>		
Remuneration	0.50	-

**f. Related Parties Balances:**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Mr. Santosh Agrawal</b>		
Long- term borrowings	137.06	238.47
<b>Mr. Sunil Agrawal</b>		
Long- term borrowings	21.39	23.76

#### E. Operating lease: Company as lessee

The Company's significant operating lease arrangements include premises taken on lease for a period of 11 months and all of such lease arrangements are cancellable or renewable subject to mutual consent of the lessor and the lessee. Hence, in view of the uncertainty of continuing the arrangement(s) over lease term, rental payments under such arrangements have been recognized as an expense in the statement of Profit & Loss.

Particulars	30th September 2023	31st March 2023
Future minimum lease payments		
Not later than one year	27.00	54.28
Later than one year and not later than five years	-	-
More than five years	-	-
Particulars	30th September 2023	31st March 2023
Lease payments recognized in Statement of Profit & Loss	27.00	54.28

#### F. Acquisition of wholly owned subsidiary M/s Zeacloud Services Private Limited

Pursuant to Share Transfer Agreement dated September 5, 2023, entered into between the company (Transferee) and Mr. Sunil Kumar Agrawal, Mr. Vineet Agrawal and Mr. Amit Gupta (Transferors), the company has acquired 1,20,000 fully paid up equity shares of Rs. 10 each in M/s Zeacloud Services Private Limited, thereby making it a wholly owned subsidiary of the company. The transfer took place on the basis of valuation provided by the registered valuer and the consideration of Rs. 34.43 lakhs has been discharged by way of issuing 10,723 equity shares of Rs. 10 each in aggregate to the respective transferors.

M/s Zeacloud Services Private Limited was incorporated on May 11, 2022 and become wholly owned subsidiary on September 5, 2023. The Company prepared its first Interim consolidated financial statements as at and for the six months period ending on September 30, 2023 with comparative information as at and for the year ended March 31, 2023. As the subsidiary does not exist prior to May 11, 2022, separate financial statements cannot be prepared for the earlier years as per requirements of Part A of Schedule VI to the SEBI ICDR Regulations.

#### G. Segment Reporting

The Company is engaged in the business of trading of IT products including servers, workstations, related IT peripherals and providing IT enabled services. However, Organisational and management structure of the company and its internal financial reporting system does not identify the pre- dominant sources of risks and returns of the company for the purpose of its segment reporting. Therefore, the management has concluded that no separate segment disclosures are required as per Accounting Standard- 17 on 'Segment Reporting'.

#### H. Earnings & Expenditure In Foreign Currencies, Import of Materials

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
Earnings in foreign currency	16.65	12.73
Expenditure in foreign currency	0.60	23.79
CIF value of imported material	538.24	1,123.44

#### I. Break- up of payments due to statutory auditors: -

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
In respect of Statutory Audit	1.80	5.25
<b>Total</b>	<b>1.80</b>	<b>5.25</b>

- J. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
  - K. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - L. There are no transaction with the companies whose name struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the period covered under these restated financial information
  - M. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - N. "No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate Beneficiaries")
- Moreover, the Company has not received any fund from any party ("Funding Party") with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- O. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - P. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - Q. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - R. There has been no changes in the accounting policies during the period covered under the restated consolidated financial information.
  - S. There has been no qualifications in the independent auditor's report during the period covered under the restated consolidated financial information.

**Note -I.5: Restated Consolidated Statement of Short term Borrowings**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particular	As at 30th September 2023	As at 31st March 2023
Current maturity of long term borrowings from banks: -	20.26	39.84
Loan repayable on demand (unsecured)	671.62	350.03
<b>Total</b>	<b>757.85</b>	<b>762.82</b>

**Terms and Nature of loans :-**

Particular	30th September 2023	31st March 2023
<b>Cash credit from ICICI Bank</b>		
Interest Rate	9%	8.60%
Security	Hypothecation of current assets being stock, book debts and equitable mortgage property of directors situated at Bilaspur (M.P.) along with personal guarantee of directors.	

**Loan repayable on demand**

Interest Rate		
Other stipulation		

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-I.6: Restated Consolidated Statement of Trade Payables**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
<b>Trade Payable due to:</b>		
Micro and small enterprises	-	-
Other than Micro and small enterprises	2,201.22	1,006.32
<b>Total</b>	<b>2,201.22</b>	<b>1,006.32</b>

**Trade Payables Ageing Schedule**

Particulars		Outstanding from due date of payment As at 30th September 2023				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	2,189.97	-	-	11.25	2,201.22
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-
<b>Total</b>		<b>2,189.97</b>	<b>-</b>	<b>-</b>	<b>11.25</b>	<b>2,201.22</b>

Particulars		Outstanding from due date of payment As at 31st March 2023				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total

(i)	MSME	-	-	-	-	-
(ii)	Others	995.07	-	-	11.25	1,006.32
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-
Total		995.07	-	-	11.25	1,006.32

The following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:-

Particulars		As at 30th September 2023	As at 31st March 2023
(i)	Unpaid amount to any supplier		
	a) Principal amount	-	-
	b) Interest thereon	-	-
(ii)	Interest paid as per Sec 16 of MSMED Act, 2006 during the year	-	-
(iii)	Interest due and payable for the delayed payments made during the year	-	-
(iv)	Interest accrued and remaining unpaid	-	-
(v)	Further interest due and payable, which are disallowed as a deductible expense under Sec 23 of MSMED Act, 2006	-	-

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note-I.7: Restated Consolidated Statement of Other Current Liabilities

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
<b><u>Other Current Liabilities:</u></b>		
Payable against statutory dues	23.57	32.24
Payable against expenses	43.21	30.89
<b>Total</b>	<b>66.78</b>	<b>63.13</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note-I.7: Restated Consolidated Statement of Short Term Provisions

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
For gratuity	7.96	7.59
For income tax (net of advances)	41.38	-
<b>Total (A+B)</b>	<b>49.34</b>	<b>7.59</b>



Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

**Note – I.9: Restated Consolidated Statement of Property, Plant & Equipment**

Particulars	As at 30th September 2023	As at 31st March 2023
<b>Tangible Assets</b>		
<u>Cost or deemed cost: -</u>		
Opening Balance	449.17	394.60
Additions during the period	109.67	188.68
On acquisition of subsidiary	5.03	-
Asset disposed/ written off during the year	109.77	134.11
Closing Balance	454.10	449.17
<u>Accumulated depreciation: -</u>		
Opening Balance	226.10	213.49
Charge for the period	32.32	92.49
On acquisition of subsidiary	11.54	-
Adjusted on assets disposed/ written off	44.64	79.88
Closing Balance	225.32	226.10
	-	-
<b>Carrying amount</b>	<b>228.78</b>	<b>223.07</b>

### Tangible Assets

Particulars	Computers	Vehicles	Office Equipment	Furnitures and Fitting	Total Tangible Assets
<b>Gross carrying amount</b>					
As at April 01, 2022	202.22	162.26	21.79	8.32	394.59
Additions	96.88	90.45	1.35	-	188.68
Disposals	88.34	45.76	-	-	134.10
<b>As at March 31, 2023</b>	<b>210.76</b>	<b>206.95</b>	<b>23.14</b>	<b>8.32</b>	<b>449.17</b>
<b>Accumulated depreciation</b>					
As at April 01, 2022	105.08	93.16	13.17	2.09	213.50
Charge for the year	47.47	40.28	4.44	0.29	92.48
On disposals	37.72	42.15	-	-	79.87
<b>As at March 31, 2023</b>	<b>114.83</b>	<b>91.29</b>	<b>17.61</b>	<b>2.38</b>	<b>226.11</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>95.93</b>	<b>115.66</b>	<b>5.53</b>	<b>5.94</b>	<b>223.06</b>
<b>Gross carrying amount</b>					
As at April 01, 2023	210.76	206.95	23.14	8.32	449.17
Additions	11.40	95.29	2.98	-	109.67
On acquisition of subsidiary	5.03	-	-	-	5.03
Disposals	-	109.77	-	-	109.77
<b>As at September 30, 2023</b>	<b>222.16</b>	<b>192.47</b>	<b>26.12</b>	<b>8.32</b>	<b>449.07</b>
<b>Accumulated depreciation</b>					
As at April 01, 2023	114.83	91.29	17.61	2.38	226.11
Charge for the year	9.74	20.32	1.34	0.92	32.32
On acquisition of subsidiary	11.54	-	-	-	11.54
On disposals	-	44.65	-	-	44.65
<b>As at September 30, 2023</b>	<b>124.57</b>	<b>66.96</b>	<b>18.95</b>	<b>3.30</b>	<b>213.78</b>
<b>Net carrying amount as at September 30, 2023</b>	<b>97.59</b>	<b>125.51</b>	<b>7.17</b>	<b>5.02</b>	<b>235.29</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.10: Restated Consolidated Statement of Deferred Tax Assets/(Liabilities)**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
<b>Deferred Tax Assets</b>		
Related to Property, Plant & Equipment	14.84	15.62
Related to provision for gratuity	9.85	1.31
Pre- incorporation expenses	0.04	0.18
On acquisition of subsidiary (adjusted through goodwill)	0.24	-
Related to unabsorbed depreciation	-	5.93
<b>Total (a)</b>	<b>24.97</b>	<b>23.04</b>
<b>Deferred Tax Liabilities</b>		
Related to Property, Plant & Equipment	0.78	0.58
Related to Carry Forward Losses	-	-
Related to unabsorbed depreciation	-	-
<b>Total (b)</b>	<b>0.78</b>	<b>0.58</b>
Deferred tax charged/ (credited) in statement of Profit & Loss	(1.73)	13.04
<b>Deferred Tax Assets/(Liabilities) (net)</b>	<b>23.95</b>	<b>22.46</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.12: Restated Consolidated Statement of Inventories**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
Inventories of IT Hardware	1,366.99	856.96
	-	-
<b>Total</b>	<b>1,366.99</b>	<b>856.96</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-I.13: Restated Consolidated Statement of Trade Receivables**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
Unsecured, considered good	2,527.33	1,146.16
Unsecured, considered doubtful	-	-
<b>Total</b>	<b>2,527.33</b>	<b>1,146.16</b>
Less: Allowance for bad and doubtful debts	-	-
<b>Net Total</b>	<b>2,527.33</b>	<b>1,146.16</b>

**Trade Receivable Ageing Schedule**

S No.	Particulars	Outstanding from due date of payment As at 30th September 2023
-------	-------------	--

		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables : Considered good	2,280.55	116.26	11.68	96.22	22.60	<b>2,527.31</b>
(ii)	Undisputed Trade Receivables : Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables : Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables : Considered doubtful	-	-	-	-	-	-

S No.	Particulars	Outstanding from due date of payment As at 31st March 2023					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables : Considered good	1,019.74	14.07	1.49	5.31	91.56	<b>1,132.17</b>
(ii)	Undisputed Trade Receivables : Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables : Considered good	-	-	-	-	13.96	<b>13.96</b>
(iv)	Disputed Trade Receivables : Considered doubtful	-	-	-	-	-	-

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note-I.14: Restated Consolidated Statement of Cash and Cash Equivalents

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
<b>Cash &amp; Cash Equivalents</b>		
Balance with banks	31.84	53.26
Cheques, draft on hand	-	-
Cash on hand	1.33	1.10
<b>Deposit held as margin money for bank guarantee:</b>		
With maturity less than 12 months	-	-
With maturity more than 12 months	39.97	59.92
<b>Total</b>	<b>73.14</b>	<b>114.28</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note – I.15: Restated Consolidated Statement of Short Term Loans and Advances

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
-------------	---------------------------	-----------------------

<b>Unsecured and considered good ;</b>		
Advances to Staff	10.75	9.27
Earnest Money Deposits with Customers	19.49	21.12
Other deposits	0.12	0.05
Advances to Suppliers	-	10.94
<b>Total</b>	<b>30.36</b>	<b>41.38</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note I.16: Restated Consolidated Statement of Other Current Assets**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

<b>Particulars</b>	<b>As at 30th September 2023</b>	<b>As at 31st March 2023</b>
<b>Unsecured and Considered Good</b>		
GST Input	9.91	58.56
Advance income tax (net of provisions)	-	33.72
Prepaid expenses	-	301.78
<b>Total</b>	<b>9.91</b>	<b>394.06</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-II.1: Restated Consolidated Statement of Revenue from Operations**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

<b>Particulars</b>	<b>From 01-04-2023 to 30-09-2023</b>	<b>For Year ended 31-03-2023</b>
Sale of IT Hardware	6,296.38	9,106.00
Service Charges	845.21	553.26
<b>Total</b>	<b>7,141.59</b>	<b>9,659.26</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-II.2: Restated Consolidated Statement of Other Income**

(Amount "Rs. in Lakhs", unless otherwise stated)

<b>Particulars</b>	<b>From 01-04-2023 to 30-09-2023</b>	<b>For Year ended 31-03-2023</b>
Interest on Income tax Refund	-	2.99
Foreign exchange fluctuation gain	-	-
Miscellaneous Income	-	5.23
Interest on FDR Deposit	0.34	4.77
Profit on sale of PPE	4.78	18.59
<b>Total</b>	<b>5.12</b>	<b>31.58</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – II.3: Restated Consolidated Statement of Purchases**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023
Purchase of IT Hardware	6,137.54	7,735.52
<b>Total</b>	<b>6,137.54</b>	<b>7,735.52</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – II.4: Restated Consolidated Statement of Changes in Inventories**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023
Opening Stock of IT Hardware	856.96	585.51
Less: Closing Stock of IT Hardware	1,366.99	856.96
<b>Changes in Inventories</b>	<b>(510.03)</b>	<b>(271.45)</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – II.5: Restated Consolidated Statement of Employee Benefit Expenses**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023
Salaries & Allowances	198.85	415.88
Director Remuneration	37.50	69.00
Gratuity expense	2.73	4.70
Bonus	3.51	6.01
Contribution to provident and other funds	4.80	10.54
Staff welfare expenses	5.72	19.55
<b>Total</b>	<b>253.11</b>	<b>525.68</b>

Note: The above statements should be read with the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – II.6: Restated Consolidated Statement of Finance cost**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023

Interest on borrowings	62.00	86.69
Interest on delayed payment to parties	-	14.48
Interest on statutory dues	5.82	4.38
Other finance charges	12.89	9.85
<b>Total</b>	<b>80.71</b>	<b>115.40</b>

**Note – II.7: Restated Consolidated Statement of Other Expenses**

(Amount "Rs. in Lakhs", unless otherwise stated)

<b>Particulars</b>	<b>From 01-04-2023 to 30-09-2023</b>	<b>For Year ended 31-03-2023</b>
Service Charges	456.29	505.93
Rent	27.00	54.28
Professional Fees & Legal Expenses	32.46	49.45
Travelling & Conveyance Expenses	24.50	21.33
Advertisement, Sales & Marketing	106.37	102.88
Commission Expenses	27.44	124.69
Tender Expenses	13.18	13.15
Freight Outward	9.64	21.67
Electricity Expenses	5.18	9.09
Bad Debts	2.95	21.23
Maintenance Expenses- Computer	7.40	18.29
General Establishment Expenses	13.91	27.69
Telephone Expenses	2.38	6.92
Printing and Stationery	1.58	1.74
Liquidated Damages	-	19.21
Audit Fee	1.80	5.25
Membership Expenses	6.05	13.25
Pre- incorporation expenses	-	0.85
Insurance Expenses	3.69	7.23
Foreign exchange fluctuation loss	-	3.05
Miscellaneous Expenses	0.36	0.96
<b>Total</b>	<b>742.18</b>	<b>1,028.14</b>

**Note– II.8: Restated Consolidated Statement of Earnings per Share**

(Amount "Rs. in Lakhs", except Weighted Average number of Equity Shares)

<b>Particulars</b>	<b>From 01-04-2023 to 30-09-2023</b>	<b>For Year ended 31-03-2023</b>
<b>Calculation of Earnings per Share (EPS)</b>		
Profit/ (Loss) after tax as per Restated Statement of Profit & Loss	305.47	304.00
Weighted Average Number of Equity Shares	7,77,823	7,67,100
<b>Earnings per share- EPS (in Rs.)</b>		
Basic	39.74	39.63
Diluted	39.74	39.63

Note:-

EPS Ratios have been calculated as follows:

"Basic Earning per share = Restated Profit after Tax available to equity/ Weighted Average Number of Equity Shares"

"Diluted Earning per share = Restated Profit after Tax available to equity/ Weighted Average Number of Equity Shares"

**Annexure-V**
**Restated Consolidated Statement of Accounting Ratios**

S. No.	Ratios	Numerator	Denominator	As at		change in September 2023	Reason for September 2023
				30th September 2023 <sup>(Note 1)</sup>	31st March 2023		
1	Current Ratio	Current Assets	Current Liabilities	1.30	1.39	-6.07%	-----
2	Debt Equity Ratio	Total Debts (Long term Borrowings + Short term Borrowings)	Total Equity (Equity Share capital + Reserve & Surplus)	1.12	1.99	-43.90%	Due to increase in shareholders' funds.
3	Debt-Service Coverage Ratio	Earnings available for debt service (Net profit before exceptional Items & tax expense + depreciation & amortization + Finance cost)	Total Debt Services (Finance cost + principle repayment of borrowings during the period/year)	2.98	5.83	-48.85%	Due to increase in repayment of borrowings
4	Return on Equity	Net profit after tax-Exceptional items	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2]	41.93%	75.59%	44.53%	Due to increase in shareholder's funds.
5	Inventory Turnover Ratio	Revenue from sales of products	Average Inventory [(opening balance + closing balance)/2]	6.42	13.39	-52.05%	Ratio is not annualised.
6	Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable [(Opening balance + closing balance)/2]	3.89	7.18	-45.81%	Ratio is not annualised.
7	Trade Payable Turnover Ratio	Purchases	Average trade payable [(Opening balance + closing balance)/2]	3.89	7.18	-45.81%	Ratio is not annualised.



8	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset-current liabilities)	7.66	13.55	-43.47%	Ratio is not annualised.
9	Net Profit Ratio	Net profit after tax and Exceptional items	Revenue from operations	4.28%	3.15%	35.91%	Due to reduction in other expenses.
10	Return on capital Employed	Profit Before interest, Tax & Exceptional item	Capital Employed (Tangible Net Worth+Total Debt+Deferred Tax Liability)	25.71%	35.01%	26.55%	Due to increase in shareholder's funds.
11	Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	0.85%	12.95%	-93.43%	Reduction in interest income.

**Notes :-**

- Figures for the period from 1st April 2023 to 30th September 2023 are not annualised.

**Annexure-V.I: Restated Consolidated Statement of Accounting Ratios**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023
Current Assets (A)	4,007.73	2,552.84
Current Liabilities(B)	3,075.19	1,839.86
Total Debt/ Liabilities ( C)	1,008.95	1,103.89
Shareholder's Equity (D)	902.97	554.19
Net Profit /(loss) After Tax ( E)*	305.47	304.00
Average Shareholders Fund (F)	728.58	402.19
<b>Sales/ Revenue from Operation(G)</b>	<b>7,141.59</b>	<b>9,659.26</b>
Opening Stock	856.96	585.51
Closing Stock	1,366.99	856.96
<b>Average Stock (H)</b>	<b>1,111.98</b>	<b>721.24</b>
<b>Sales (I)</b>	<b>7,141.59</b>	<b>9,659.26</b>
Opening Debtors	1,146.16	1,546.27
Closing Debtors	2,527.33	1,146.16
<b>Average Debtors (J)</b>	<b>1,836.75</b>	<b>1,346.22</b>
Total Purchases (K)	6,137.54	7,735.52
Opening Creditors	1,006.32	1,455.22
Closing Creditors	2,201.22	1,006.32
<b>Average Creditors (L)</b>	<b>1,603.77</b>	<b>1,230.77</b>
<b>Working Capital (M)</b>	<b>932.54</b>	<b>712.98</b>
EBIT (N)*	491.59	580.46
<b>Capital Employed (O)</b>	<b>1,911.92</b>	<b>1,658.08</b>
<b>Current Ratio (A/B)</b>	<b>1.30</b>	<b>1.39</b>
<b>Debt Equity Ratio (C/D)</b>	<b>1.12</b>	<b>1.99</b>
<b>Debt Service Coverage Ratio</b>	<b>2.98</b>	<b>5.83</b>
<b>Return on Equity (%) (E/F)</b>	<b>41.93%</b>	<b>75.59%</b>
<b>Inventory Turnover Ratio (G/H)</b>	<b>6.42</b>	<b>13.39</b>
<b>Trade Receivable Turnover Ratio (I/J)</b>	<b>3.89</b>	<b>7.18</b>
<b>Trade Payables Turnover Ratio (K/L)</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Net Capital turnover Ratio (I/M)</b>	<b>7.66</b>	<b>13.55</b>
<b>Net Profit Ratio (E/I)</b>	<b>4.28%</b>	<b>3.15%</b>
<b>Return on Capital Employed (N/O)</b>	<b>25.71%</b>	<b>35.01%</b>
<b>Return on Investments</b>	<b>0.85%</b>	<b>12.95%</b>

**Note:****\* Figures for the period from 1st April 2023 to 30th September 2023 are not annualized.****The Ratios have been computed as below:**

1. Current Ratio= Current Assets/ Current Liabilities.
2. Debt Equity Ratio = Total Liabilities (Borrowings)/ Total Equity
3. Debt Service Coverage Ratio = Earnings available for debt service/Total Debt Services
4. Return on Equity = Profit after Tax/ Average Shareholders Fund

5.  $\text{Inventory Turnover Ratio} = \text{COGS} / \text{Average Stock}$
6.  $\text{Trade Receivable Turnover Ratio} = \text{Sales} / \text{Average Debtor}$
7.  $\text{Trade Payable Turnover Ratio} = \text{Purchase} / \text{Average Creditor}$
8.  $\text{Net Capital Turnover Ratio} = \text{Sales} / \text{Working Capital}$
9.  $\text{Net Profit Ratio} = \text{Profit After Tax} / \text{Total Sales}$
10.  $\text{Return on Capital Employed} = \text{EBIT} / \text{Capital Employed}$
11. The company does not have any revaluation reserves or extraordinary items.

## Annexure VI - Restated Consolidated Statement of Capitalisation

### CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2023, on the basis of the restated financial information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

(Amount in Rs. in Lakhs, unless otherwise stated)

Particulars	Pre offer as at September 30,2023	As adjusted for the proposed Offer*
Borrowings:		
Long term borrowings (A)	251.09	251.09
Short term borrowings (B)	757.85	757.85
Total borrowings (C)	<b>1008.94</b>	<b>1008.94</b>
Equity:		
Equity share capital	77.78	1,236.00
Reserves and surplus	825.19	2,581.24
Total equity (D)	<b>902.97</b>	3,817.24
Ratio: Total borrowings (C)/ Total equity (D)	<b>1.12</b>	0.26

Notes:

1. As per the restated consolidated financial information.

The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

## Annexure -VII- Restated Consolidated Statement of tax shelters

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023
<b>Tax Rates</b>		
Income tax rate (%)	25.00%	25.00%
Surcharge	7.00%	7.00%
Health & Education cess	4.00%	4.00%
Income tax rate (%)	27.82%	27.82%
Minimum alternate tax (MAT) rate (%)	15.00%	15.00%
Surcharge (if income exceeds Rs. 1 Cr.)	7.00%	7.00%
Health & Education cess	4.00%	4.00%
Minimum alternate tax (MAT) rate (%)	16.69%	16.69%
<b>Income from business or profession</b>		
Restated profit before tax as per books (B)	410.88	465.06
<b>Timing differences during the year</b>		
<u>Expenses allowable/ disallowable subject to provisions of Income tax Act:</u>		
Depreciation	32.32	47.27
Profit/ (loss) on sales of property, plant & equipment	-	-
Expenses allowable on payment basis u/s 43B	-	4.39
Brought forward losses and unabsorbed depreciation set off	-	-
<b>Total timing differences during the year (C)</b>	<b>32.32</b>	<b>51.67</b>
<b>Permanent differences during the year</b>		
Expenses disallowed u/s 37 of the Income tax Act	-	4.60
<b>Total permanent differences (D)</b>	<b>-</b>	<b>4.60</b>
<b>Taxable income (E) = (B+C+D)</b>	<b>443.20</b>	<b>521.33</b>
Restated profit before tax as per books (F)	410.88	465.06
Additions to be made u/s 115JB (G)	-	-
Deductions allowed u/s 115JB (H)	-	-
<b>Book Profit u/s 115JB (I)=(F-G+H)</b>	<b>410.88</b>	<b>465.06</b>
<b>Income tax payable under normal provisions</b>	<b>115.23</b>	<b>135.55</b>
<b>Book profit for MAT</b>	<b>410.88</b>	<b>465.06</b>
<b>MAT on book profit</b>	<b>64.10</b>	<b>72.55</b>
Tax payable as per normal or MAT	Normal	Normal

## INDEPENDENT AUDITORS' REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To

**Esconet Technologies Limited (formerly known as Esconet Technologies Private Limited)**

**D-147 Okhla Industrial Area Phase 1,  
South Delhi, New Delhi, India, 110020**

Dear Sirs,

- 1 We have examined the attached Restated Standalone Financial Information of ESCONET TECHNOLOGIES LIMITED (hereunder referred to "the Company", "Issuer") comprising the Restated Standalone Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Standalone Statement of Profit & Loss, the Restated Standalone Statement of Cash Flows for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 the Standalone Statement of Basis of Preparation and Significant Accounting Policies and notes to the Restated Standalone Financial Information and other explanatory information thereto (Collectively the Restated Standalone Financial Information) as approved by the Board of Directors in their meeting held on 17 November 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer (IPO) of Equity Shares, prepared by the company in terms of the requirement of: -
  - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act")
  - (b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
  - (c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

### Managements' Responsibility for the Standalone Restated Financial Information:

- 2 The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited ("Stock Exchanges") and Registrar of Companies, Delhi and Haryana at New Delhi in connection with the proposed IPO. The Restated Standalone Financial Information have been prepared by the management of the Company for the six months period ending on September 30, 2023 and for the years ended on March 31, 2023, March 31, 2022, and March 31 2021 on the basis of preparation stated in ANNEXURE - IV to the Restated Standalone Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

### Auditors' Responsibility

- 3 We have examined such Restated Standalone Financial Information taking into consideration:
  - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 11 2023 in connection with the proposed IPO of the Company;
  - (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - (d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the proposed IPO;

### Restated Standalone Financial Information as per audited Standalone Financial Statements

- 4 These Restated Standalone Financial Information have been compiled by the management from:

- (a) Audited interim financial statements of the Company as at and for the six months period ended September 30, 2023 prepared in accordance with recognition and measurement principles of Accounting Standards 25 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India ("Interim Standalone Financial Statements") which have been approved by the Board of Directors at their meeting held on October 20 2023. The comparative information as at and for the year ended March 31, 2023 included in such interim financial statements are derived from the audited financial statements of the Company as at and for the year ended March 31, 2023, prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India, which was approved by the Board of Directors at their meeting held on August 10, 2023.
- (b) Audited standalone financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at meeting held on August, 10, 2023, August 29, 2022 and November, 10, 2021 and duly audited by M/s S. Agarwal & Co. Chartered Accountants ("the erstwhile statutory auditors").
- 5 For the purpose of our examination, we have relied on our audit report dated October 20 2023 issued on the interim standalone financial statements of the Company as at and for the six months period ended September 30, 2023; and audit reports issued by the erstwhile statutory auditors dated August 10, 2023, August 29, 2022 and November 10, 2021 on the annual standalone financial statements of the company as at and for the year ended March 31, 2022, 2021 and 2020, respectively, as referred in para 4 above.
- 6 In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, the ICDR Regulations and the Guidance Note, we report that:
- (a) The Restated Standalone Statement of Assets and Liabilities of the Company, including as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Standalone Financial Information.
- (b) The Restated Standalone Statement of Profit & Loss of the Company, including for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Standalone Financial Information.
- (c) The Restated Standalone Statement of Cash Flows of the Company, including for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Standalone Financial Information.
- 7 At the request of the company, we have also examined the following standalone financial information ("Other Standalone Financial Information") proposed to be included in the offer document prepared by the management and approved by the

board of directors of the company and annexed to this report:

- (a) Note I.1 - Restated Standalone Statement of Share Capital
- (b) Note I.2 - Restated Standalone Statement of Reserves & Surplus
- (c) Note I.3 - Restated Statement of Long term Borrowings
- (d) Note I.4 - Restated Standalone Statement of Long term Provisions
- (e) Note I.5 - Restated Statement of Short term Borrowings
- (f) Note I.6 - Restated Standalone Statement of Trade Payables
- (g) Note I.7 - Restated Standalone Statement of Other Current Liabilities
- (h) Note I.8 - Restated Standalone Statement of Short Term Provisions
- (i) Note I.9 - Restated Standalone Statement of Property, Plant & Equipment and Intangible Assets
- (j) Note I.10 - Restated Standalone Statement of Deferred Tax Assets/(Liabilities)
- (k) Note I.11 - Restated Standalone Statement of Non- current investments
- (l) Note I.12 - Restated Standalone Statement of Inventories
- (m) Note I.13 - Restated Standalone Statement of Trade receivables
- (n) Note I.14 - Restated Standalone Statement of Cash and cash equivalents
- (o) Note I.15 - Restated Standalone Statement of Short term loans and advances
- (p) Note I.16 - Restated Standalone Statement of Other current assets
- (q) Note II.1 - Restated Standalone Statement of Revenue from Operations
- (r) Note II.2 - Restated Standalone Statement of Other income
- (s) Note II.3 - Restated Standalone Statement of Purchases
- (t) Note II.4 - Restated Standalone Statement of Changes in Inventories of Stock- in- Trade
- (u) Note II.5 - Restated Standalone Statement of Employee Benefit Expenses
- (v) Note II.6 - Restated Standalone Statement of Finance cost
- (w) Note II.7 - Restated Standalone Statement of Other Expenses
- (x) Note II.8 - Restated Standalone Statement of Earnings per Share
- (y) Annexure V and Annexure V.I - Restated Standalone Statement of Accounting Ratios
- (z) Annexure VI - Restated Standalone Statement of Capitalisation
- (za) Annexure VII - Restated Standalone Statement of Tax Shelters

- 8 Based on our examination and according to the information and explanations given to us and based on the para 5 above, we report that the Restated Standalone Financial Information:
- (a) has been prepared after incorporating adjustments, if any, for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six months period ended September 30, 2023;
  - (b) there were no qualifications in Auditor's Report on the Audited Standalone Financial Statements of the Company for the year ended March 31 2023, 2022 and 2021 and for the six months period ended September 30, 2023 which require any adjustments to the Restated Standalone Financial Information; and
  - (c) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note.
- 9 The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited Financial Statements mentioned in para 4 above.
- 10 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the standalone financial statements referred to herein.
- 11 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12 Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Delhi and Haryana at New Delhi in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

As per our report of even date



For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
**Managing Director**  
**DIN: 00493749**

**Sunil Kumar Agrawal**  
**Director**  
**DIN: 00493820**

UDIN: 23520858BGUKQQ3717

**Himanshu Purohit**  
**Chief Financial Officer**  
**PAN: CBNPP3762J**

**Rajnish Pandey**  
**Company Secretary**  
**PAN: DCQPP6580K**

Date: 21.11.2023  
Place: New Delhi

# **RESTATED STATEMENT OF ASSETS AND LIABILITIES**

**Annexure I**

**(Rs. in Lakhs)**

	Note No.	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>I. Equity and Liabilities</b>					
<u>Shareholders' Funds</u>					
(a) Share capital	I.1	77.78	76.71	76.71	76.71
(b) Reserve and surplus	I.2	815.59	477.76	173.74	101.38
<u>Non- current liabilities</u>					
(a) Long term borrowings	I.3	251.09	341.07	396.43	313.36
(b) Long term provisions	I.4	31.20	28.83	30.11	30.43
<u>Current liabilities</u>					
(a) Short term borrowings	I.5	757.85	762.82	378.40	321.49
(b) Trade payables	I.6				
- Total outstanding dues of micro enterprises and small enterprises, and		-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,200.77	1,004.63	1,455.22	875.67
(c) Other current liabilities	I.7	62.66	62.18	71.74	24.42
(d) Short term provisions	I.8	55.73	7.59	5.41	4.94
<b>Total Equity and Liabilities</b>		<b>4,252.67</b>	<b>2,761.59</b>	<b>2,587.76</b>	<b>1,748.40</b>
<b>II Assets</b>					
<u>Non- current assets</u>					
(a) Property, plant and equipment and intangible assets	I.9				
- Property, plant and equipment		168.49	154.23	181.10	92.31
(b) Deferred tax assets (net)	I.10	24.69	22.86	35.51	23.31
(c) Non- current investments	I.11	34.43	-	-	8.18
<u>Current assets</u>					
(a) Inventories	I.12	1,366.99	856.96	585.51	586.23
(b) Trade receivables	I.13	2,575.84	1,258.74	1,546.27	865.31
(c) Cash and cash equivalents	I.14	42.08	50.83	30.97	35.14
(d) Short term loans and advances	I.15	30.24	41.33	49.75	38.11
(e) Other current assets	I.16	9.91	376.64	158.65	99.81
<b>Total Assets</b>		<b>4,252.67</b>	<b>2,761.59</b>	<b>2,587.76</b>	<b>1,748.40</b>

The above statements should be read with the Significant accounting policies and notes on Restated Standalone Financial Information appearing in Annexure IV.

As per our report of even date attached

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
**Managing Director**  
**DIN: 00493749**

**Sunil Kumar Agrawal**  
**Director**  
**DIN: 00493820**

UDIN: 23520858BGUKQQ3717

**Himanshu Purohit**  
**Chief Financial Officer**  
**PAN: CBNPP3762J**

**Rajnish Pandey**  
**Company Secretary**  
**PAN: DCQPP6580K**

Date: 21.11.2023  
Place: New Delhi

# **RESTATED STATEMENT OF PROFIT AND LOSS**

**Annexure II**

		(Rs. in Lakhs)			
Particulars	Note No.	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
I Revenue from operations	II.1	7,127.78	9,465.96	6,856.29	4,411.89
II Other income	II.2	5.12	31.58	3.08	8.45
III <b>Total income (I+II)</b>		<b>7,132.90</b>	<b>9,497.54</b>	<b>6,859.37</b>	<b>4,420.34</b>
IV <u>Expenses:</u>					
Purchases		6,133.80	7,610.30	5,649.44	3,798.72
Changes in inventories of stock- in- trade	II.3	-510.03	-271.45	0.72	-140.28
Employee benefit expenses	II.4	250.03	510.43	453.30	412.95
Finance cost	II.5	80.54	115.33	77.21	72.35
Depreciation and amortization	I.9	30.29	76.44	64.98	43.97
Other expenses	II.6	738.77	1,010.89	553.55	337.47
Total expenses		<b>6,723.40</b>	<b>9,051.94</b>	<b>6,799.20</b>	<b>4,525.18</b>
V Profit before exceptional items and extra- ordinary items and tax		<b>409.50</b>	<b>445.60</b>	<b>60.17</b>	<b>-104.84</b>
VI Exceptional Items and extra ordinary item		-	-	-	-
VII <b>Profit/(Loss) before Tax (V-VI)</b>		<b>409.50</b>	<b>445.60</b>	<b>60.17</b>	<b>-104.84</b>
Tax expenses:					
- Current Tax		106.84	128.94	-	-
- Tax adjustments for earlier year		-	-	-	-
- Deferred Tax		-1.82	12.64	-12.19	-4.36
VIII Total tax expenses		<b>105.02</b>	<b>141.58</b>	<b>-12.19</b>	<b>-4.36</b>
IX <b>Profit/(Loss) for the period (VII-VIII)</b>		<b>304.48</b>	<b>304.02</b>	<b>72.36</b>	<b>-100.48</b>
X Earnings per Equity Share:	II.6				
Number of Share					
(1) Basic (Rs.)		45.24*	39.63	9.43	-13.10
(2) Diluted (Rs.)		45.24*	39.63	9.43	-13.10
*EPS Not Annualised					

The above statements should be read with the Significant accounting policies and notes on Restated Standalone Financial Informations appearing in Annexure IV.

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
**Managing Director**  
**DIN: 00493749**

**Sunil Kumar Agrawal**  
**Director**  
**DIN: 00493820**

UDIN: 23520858BGUKQQ3717

**Himanshu Purohit**  
**Chief Financial Officer**  
**PAN: CBNPP3762J**

**Rajnish Pandey**  
**Company Secretary**  
**PAN: DCQPP6580K**

Date: 21.11.2023  
Place: New Delhi

# **RESTATED STATEMENT OF CASH FLOWS**

**Annexure –III**  
**(Rs. In Lacs)**

	<b>From 01-04-2023 to 30-09-2023</b>	<b>For Year ended 31-03-2023</b>	<b>For Year ended 31-03-2022</b>	<b>For Year ended 31-03-2021</b>
<b>A. Cash Flow from Operating Activities</b>				
Profit Before Tax	409.50	445.60	60.17	-104.84
Adjustment For:				
Depreciation & Amortization	30.29	76.44	64.98	43.97
Loss/(Gain) on Sale of PPE and intangible assets	-4.78	-18.59	-1.90	10.05
Loss/(Gain) on Sale of long term investments	-	-	4.67	-
Foreign exchange fluctuation loss/ (gain)	-	3.05	-0.00	-1.76
Interest and other financial costs	80.54	115.33	77.21	72.34
Interest Income	-0.34	-7.76	-1.18	-6.69
Operating profit before working capital changes	515.20	614.06	203.95	13.08
Adjustments For:				
(Increase)/Decrease in inventories	-510.03	-271.46	0.72	-140.28
(Increase)/Decrease in trade receivable	-1,317.10	287.53	-680.97	-22.55
(Increase)/Decrease in short- term loans and advances	11.09	8.42	-11.65	-23.15
(Increase)/Decrease in other current assets	339.83	-319.94	21.01	-31.17
Increase/(decrease) in trade payable	1,196.13	-453.64	579.55	201.27
Increase/(decrease) in other current liabilities	0.46	-9.55	47.32	-43.80
Increase/(decrease) in provisions	2.73	0.90	0.15	3.53
Cash Generated from operations	238.33	-143.68	160.08	-43.06
Direct tax adjustments	32.17	26.98	79.84	-20.93
<b>Net Cash Flow from Operating Activities (A)</b>	<b>206.16</b>	<b>-170.65</b>	<b>80.24</b>	<b>-22.13</b>
<b>B. Cash Flow From Investing Activities</b>				
(Purchase)/ of Property, plant & equipment	-39.76	-30.98	-151.87	-58.36
(Purchase)/ sale of non- current investments	-	-	3.51	-8.18
Interest income	0.34	7.77	1.18	6.69
<b>Net Cash flow from Investing Activities</b>	<b>-39.43</b>	<b>-23.21</b>	<b>-147.19</b>	<b>-59.85</b>
<b>C. Cash flow from Financing Activities</b>				
Proceeds (Repayment) of short term borrowings	-89.97	-55.37	83.07	184.94
Proceeds (Repayment) of Long term borrowings	-4.97	384.43	56.91	-290.58
Proceeds from issue of share Capital	-	-	-	-
Interest and other financial cost	-80.54	-115.33	-77.21	-72.34
<b>Net cash generated from/(used in) financing activities</b>	<b>-175.48</b>	<b>213.73</b>	<b>62.78</b>	<b>-177.98</b>
<b>D. Increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>-8.75</b>	<b>19.86</b>	<b>-4.17</b>	<b>-259.97</b>
Add: Cash & Cash Equivalent at the beginning of the year	50.83	30.97	35.14	295.10
<b>E. Cash &amp; Cash Equivalent at the end of the year</b>	<b>42.08</b>	<b>50.83</b>	<b>30.97</b>	<b>35.14</b>
<u>Components of Cash &amp; Cash Equivalents</u>				
Cash on hand	1.11	0.84	4.86	4.38
Balances with banks	1.00	-	0.29	4.81
<b>Total cash &amp; cash equivalents</b>	<b>2.11</b>	<b>0.84</b>	<b>5.15</b>	<b>9.19</b>
Add: Fixed Deposit with banks having original maturity over three months	39.97	49.99	25.82	25.95
<b>Cash &amp; cash equivalents (Note I.12)</b>	<b>42.08</b>	<b>50.83</b>	<b>30.97</b>	<b>35.14</b>

The above statements should be read with the Significant accounting policies and notes on Restated Standalone Financial Informations appearing in Annexure IV.

As per our report of even date

For **Goel Mintri & Associates**  
**Chartered Accountants**  
**Firm Regn No.: 013211N**

For and on behalf of the **Board of Directors of**  
**Esconet Technologies Limited** (formerly known as  
**Esconet Technologies Private Limited**)

**Gopal Dutt**  
**Partner**  
**Membership No.: 520858**

**Santosh Kumar Agrawal**  
**Managing Director**  
**DIN: 00493749**

**Sunil Kumar Agrawal**  
**Director**  
**DIN: 00493820**

UDIN: 23520858BGUKQQ3717

**Himanshu Purohit**  
**Chief Financial Officer**  
**PAN: CBNPP3762J**

**Rajnish Pandey**  
**Company Secretary**  
**PAN: DCQPP6580K**

Date: 21.11.2023  
Place: New Delhi

**Note-I.1 : Restated Standalone Statement of Share Capital**

(Amount Rs. in lakhs, unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Authorized</b>				
Equity Shares of Rs.10/- each	1,500.00	100.00	100.00	100.00
<b>Total</b>	<b>1,500.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Issued, Subscribed &amp; fully paid up</b>				
Equity Shares of Rs.10/- each	77.78	76.71	76.71	76.71
<b>Total</b>	<b>77.78</b>	<b>76.71</b>	<b>76.71</b>	<b>76.71</b>

**Increase in Authorised Capital**

During the period from 1st April 2023 to 30th September 2023, the authorised equity share capital of the company was increased vide approval of shareholders of the Company dated 23 September 2023 from existing Rs. 100 Lakhs (divided into 10,00,000 equity shares @ 10/- each) to Rs. 1,500.00 Lakhs (divided into 1,50,00,000 equity shares of Rs. 10/- each).

**Terms/ Right Attached to Equity Shares**

"The Company has only one class of equity shares having a par value of Rs.10/- (Earlier years Rs.10/-) per share. Each holder of equity shares is entitled to vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

**Reconciliation of shares outstanding at the beginning and at the end of Reporting Period**

Particulars	30th September 2023		31st March 2023		31st March 2022		31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Share capital at the beginning of the period	7,67,100	76.71	7,67,100	76.71	7,67,100	76.71	7,67,100	76.71
Share capital issued during the period	10,723	1.07	-	-	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>7,77,823</b>	<b>77.78</b>	<b>7,67,100</b>	<b>76.71</b>	<b>7,67,100</b>	<b>76.71</b>	<b>7,67,100</b>	<b>76.71</b>

**During 1st April 2023 to 30th September 2023: -**

The company has issued 10,723 equity shares of Rs. 10 each at an issue price of Rs. 321 per equity share by way of private placement for a consideration other than cash in order to purchase investment in shares of M/s Zeacloud Services Private Limited.

**Details of shareholders holding more than 5% shares in the company**

Particulars	30th September 2023		31st March 2023		31st March 2022		31st March 2021	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Santosh Agrawal	3,85,100	49.51%	3,85,100	50.20%	3,85,100	50.20%	3,85,100	50.20%
Sunil Agrawal	2,81,893	36.24%	2,81,000	36.63%	2,81,000	36.63%	2,81,000	36.63%
Abro Intrade LLP	-	0.00%	1,01,000	13.17%	1,01,000	13.17%	1,01,000	13.17%
<b>Total</b>	<b>6,66,993</b>	<b>85.75%</b>	<b>6,66,100</b>	<b>0.00%</b>	<b>6,66,100</b>	<b>100.00%</b>	<b>6,66,100</b>	<b>100.00%</b>



#### Shares held by promoters in the Company

Promoter Name	Shares held by the promoters at the end of the period							
	30th September 2023		31st March 2023		31st March 2022		31st March 2021	
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares	% of total Shares
Santosh Agrawal	3,85,100	49.51%	3,85,100	50.20%	3,85,100	50.20%	3,85,100	50.20%
Sunil Agrawal	2,81,893	36.24%	2,81,000	36.63%	2,81,000	36.63%	2,81,000	36.63%
<b>Total</b>	<b>6,66,993</b>	<b>85.75%</b>	<b>6,66,100</b>	<b>86.83%</b>	<b>6,66,100</b>	<b>86.83%</b>	<b>6,66,100</b>	<b>86.83%</b>

#### Details of % change in shares held by promoters in the Company

Promoter Name	% Change from 31st March 2023 to 30th September 2023	% Change from 31st March 2022 to 31st March 2023	% Change from 31st March 2021 to 31st March 2022
Santosh Agrawal	0.00%	0.00%	0.00%
Sunil Agrawal	0.32%	0.00%	0.00%

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note-I.2: Restated Standalone Statement of Reserves & Surplus

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b><u>Reserves &amp; Surplus</u></b>				
<b><u>Securities premium</u></b>				
Opening balance	-	-	-	-
Add: on issue of share capital	33.35	-	-	-
<b>Total Securities Premium (A)</b>	<b>33.35</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Surplus in the statement of profit &amp; loss</u></b>				
As per Last Balance Sheet	477.76	173.74	101.38	201.86
Add: Restated Profit/(Loss) for the year	304.48	304.02	72.36	(100.48)
<b>Total Surplus (B)</b>	<b>782.24</b>	<b>477.76</b>	<b>173.74</b>	<b>101.38</b>
<b>Total Reserves &amp; surplus (A+B)</b>	<b>815.59</b>	<b>477.76</b>	<b>173.74</b>	<b>101.38</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note -I.3: Restated Standalone Statement of Long term Borrowings

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particular	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<u>Finance lease obligation on vehicles (secured): -</u>	72.82	45.80	35.32	14.45
Term loan from bank (secured)	19.82	33.04	59.48	79.30
<u>From related parties (unsecured): -</u>	158.45	262.23	301.63	219.61
<b>Total</b>	<b>251.09</b>	<b>341.07</b>	<b>396.43</b>	<b>313.36</b>

(Amount ""Rs. in Lakhs"", unless otherwise stated)

**Terms and Nature of loans :-**

Particular	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Finance lease obligation on vehicles</b>				
Interest Rates	8.25% to 10.25% p.a.	8.25% to 10.25% p.a.	8.25% to 10.25% p.a.	8.25% to 10.25% p.a.
Installments	36 to 60 months	36 to 60 months	36 to 60 months	36 to 60 months
Security	Secured against hypothecation of respective vehicles			

Particular	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Term loan from bank</b>				
Interest Rates				
Other stipulations				
Security				

Particular	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Unsecured loans from related parties</b>				
Interest Rates	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Other stipulations	None	None	None	None

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

**Note-I.4**

**Restated Standalone Statement of Long term Provisions**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Provision for employee benefits:</b>				
Gratuity	31.20	28.83	30.11	30.43
	-	-	-	-
<b>Total</b>	<b>31.20</b>	<b>28.83</b>	<b>30.11</b>	<b>30.43</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Annexure IV- Significant Accounting Policies and Notes on Restated Standalone Financial Information**

**1. CORPORATE INFORMATION**

Esconet Technologies Limited (CIN: U51909DL2012PLC233739) was incorporated on 30th March 2012 as a Private Limited Company. The Company later on converted into public limited from 21st September 2023. The company has its Registered Office at D- 147, Okhla Industrial Area Phase- 1, New Delhi - 110020. The company is engaged in the business of trading of IT products including servers, workstations, related IT peripherals and providing IT enabled services.

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Preparation: -**

#### **a. Statement of compliance**

The Restated Standalone Financial Information of the Company comprises of the Restated Standalone Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Standalone Statement of Profit & Loss, the Restated Standalone Statement of Cash Flows for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 the Statement of Basis of Preparation and Significant Accounting Policies and notes to the Restated Standalone Financial Information (hereinafter collectively referred to as 'Restated Standalone Financial Information').

The Restated Standalone Financial Information has been approved by the Board of Directors in their meeting held on 21 November 2023.

The Restated Standalone Financial Information has been prepared for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and Registrar of Companies ('ROC'), Delhi at New Delhi in connection with proposed initial public offering of its equity shares, in accordance with the requirements of: -

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act")
- Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Standalone Financial Information have been compiled from the audited interim standalone financial statements of the Company as at and for the six months period ended September 30, 2023 and audited standalone financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India (hereinafter collectively referred to as 'Audited Standalone Financial Statements').

The Restated Standalone Financial Information have been compiled by the management from the audited standalone financial statements and: -

- there were no audit qualification in these audited financial statements;
- there were no changes in accounting policies during the respective years of these audited standalone financial statements;
- there were no material adjustments for the previous years in arriving at profit/ losses of the respective years except those mentioned in Note 3(A) of Annexure IV of the Restated Standalone Financial Information; and
- appropriate rearrangement/ regrouping(s) (including regrouping as required by the amended Schedule III by way of notification dated 24th March 2021) have been made in the Restated Standalone Financial Information of assets and liabilities, statement of profit and loss and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per audited interim standalone financial statements as at and for the six months period ended September 30, 2023 and audited standalone financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with Schedule III of the Companies Act, 2013, requirement of AS- 5 and other accounting principles and the requirements of the SEBI ICDR Regulations.

#### **b. Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees, which is the company's functional currency. All amounts have been rounded to nearest lakh, unless otherwise stated.

**c. Basis of measurement**

These standalone financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

**d. Use of estimates**

The preparation of standalone financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the standalone financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts, useful lives of property, plant and equipment, calculation of work in progress and tax expenses etc. The management believe that the estimates used in preparation of the standalone financial statements are prudent and reasonable. Future results could differ due to these estimates between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

**B. Significant Accounting Policies: -**

**a. Revenue recognition**

The company derives its revenues primarily from (a) Trading of IT related products and (b) Providing IT enabled services. Revenue from sale of goods is recognized at the time of delivery of such goods to the customer when there is no material uncertainty exist regarding ultimate collection of consideration. Revenue from services on time and material basis is recognized as the related services are rendered. Revenue relating to interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

**b. Property, plant and equipment (PPE)**

PPE is stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition of property, plant and equipment is inclusive of freight, import duties, non- refundable taxes and other directly attributable expenses incurred to bring the assets to their working condition for intended use. Subsequent costs related to an item of PPE are recognised in the carrying amount of the item if the recognition criterias are met.

**c. Depreciation and amortization**

Depreciation on PPE is provided using written down value method over the useful life prescribed in Schedule II of the Companies Act, 2013.

**d. Impairment of Assets**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of assets is estimated.

An impairment loss is recognized, whenever the carrying amount of assets or its cash generating units exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow generated from the continuing use of an asset and from its disposal at the end of its useful life, discounted to their present value.

An impairment loss is reversed, if there has been a change in the estimates made to determine and recognize the recoverable amount in the earlier year.

**e. Inventories**

Closing Stock (traded) to be valued at lower of cost or net realisable value. Closing stock of work in progress has been valued at cost plus appropriate overheads, as certified by the management.

**f. Foreign currency transactions**

### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non - monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the period, are recognized as income or as expenses in the period in which they arise.

### **g. Tax expenses**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an assets in the Balance Sheet where it is probable that future economic benefits associated with it will flow to the Company.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized only to the extent there is a reasonable certainty that assets can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses and item related to capital losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence of realization of such assets.

### **h. Employee Benefits**

#### **Short- term employee benefits**

Short- term employee benefits such as salary, bonus, etc. payable within 12 months are accounted on accrual basis.

#### **Defined contribution plans**

Eligible employees receive benefits from a provident fund (EPF) and Employer's State Insurance (ESI), which are defined contribution plans. Both the employees and the Company make monthly contributions as per conditions and regulations prescribed under EPF & MP Act, 1952 and ESI Act, 1948 respectively.

#### **Defined benefits plans**

The Company provides for gratuity under the defined benefit retirement plans covering eligible employees. The Gratuity provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount base on the respective employee's salary and the tenure of employment with the company.

Liabilities with regard to defined benefit plans are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognized the net obligation of the gratuity plan and leave encashment benefots in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumption are recognized in the Statement of Profit and Loss in the period in which they arise.

### **i. Earnings per share**

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard - 20. The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of

equity shares outstanding during the year. The Company has no potentially dilutive equity shares outstanding during the period.

**j. Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**3. NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION**

**A. Adjustment made in the Restated Standalone Financial Information**

Appropriate adjustments have been made in the restated standalone financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited standalone financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**a. Adjustments that are having impact on the net profits and shareholders' funds:**

Following adjustments were made in the restated standalone financial information that have any impact on net profits or shareholders' funds for the respective years as per audited standalone financial statements of the Company.

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023	31st March 2022	31st March 2021
<b>Net Profit After Tax as per audited Standalone financial statements</b>	304.48	303.03	72.16	-100.53
Add/ (less): Exchange differences (Note 1)	-	0.99	0.20	0.05
<b>Net Profit After Tax as per restated standalone financial information</b>	<b>304.48</b>	<b>304.02</b>	<b>72.36</b>	<b>-100.48</b>

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023	31st March 2022	31st March 2021
<b>Shareholders' fund as per audited standalone financial statements</b>	892.12	553.22	250.19	178.04
Add/ (less): Exchange differences (Note 1)	1.25	1.25	0.26	0.05
<b>Shareholders' funds as per restated standalone financial information</b>	<b>893.37</b>	<b>554.47</b>	<b>250.45</b>	<b>178.09</b>

**Note 1** The Company had recognised the trade payable in terms of foreign currency at rate prevailing on transaction date. As per requirements of para 11, foreign currency monetary items such as receivables, payables etc. should be reported at closing rate. The resultant difference shall be recognised as exchange difference in the statement of profit & loss for the relevant period. Hence, the figures have been restated and disclosed in terms of Accounting Standard 5 on Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies read with SEBI ICDR Regulations.

**b. Adjustments that are not having impact on the net profit and shareholders' funds: -**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023	31st March 2022	31st March 2021
(i) <b>Other Non Current Assets as per audited standalone financial statements</b>	-	-	-	8.18

Add/ (less): Balances reclassified to Non- Current Investments	-	-	-	8.18
<b>Other Non Current Assets as per restated standalone financial information</b>	-	-	-	-
<b>(ii) Cash &amp; cash equivalents as per audited standalone financial statements</b>	<b>42.08</b>	<b>71.95</b>	<b>66.69</b>	<b>53.91</b>
Add/ (less): Balance reclassified to short- term loans & advances	-	-21.12	-35.72	-18.77
<b>Cash &amp; cash equivalents as per restated standalone financial information</b>	<b>42.08</b>	<b>50.83</b>	<b>30.97</b>	<b>35.14</b>
<b>(iii) Purchases as per audited standalone financial statements</b>	<b>6,133.80</b>	<b>7,614.33</b>	<b>5,649.63</b>	<b>3,797.03</b>
Add/ (less): Reclassified to other expenses	-	-4.03	-0.19	-0.07
Add/ (less): Reclassified to other income	-	-	-	1.76
<b>Purchases as per restated standalone financial information</b>	<b>6,133.80</b>	<b>7,610.30</b>	<b>5,649.44</b>	<b>3,798.72</b>
<b>(iv) Other expenses as per audited standalone financial statements</b>	<b>738.77</b>	<b>1,067.88</b>	<b>613.56</b>	<b>397.45</b>
Add/ (less): Reclassified to Employee Benefit Expenses	-	-60.00	-60.00	-60.00
Add/ (less): Reclassified from purchases	-	4.03	0.19	0.07
<b>Other expenses as per restated standalone financial information</b>	<b>738.77</b>	<b>1,010.89</b>	<b>553.55</b>	<b>337.47</b>

**B. Contingent liabilities not provided for**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023	31st March 2022	31st March 2021
<b>Contingent liabilities in respect of:</b>				
	None	None	None	None
<b>Commitments (to the extent not provided for) :-</b>				
Guarantee issued to other parties	260.53			
Counter Guarantee given by bankers				
<b>Total</b>	-	-	-	-

**C. Employee Benefits**

**Gratuity: -**

The company has recognised its gratuity liability as per requirements of AS- 15 (Revised) on 'Employee Benefits' by way of actuarial valuation every year. necessary disclosure are made as under: -

(Amount "Rs. in Lakhs", unless otherwise stated)

Amount recognised in the Balance Sheet: -

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Present Value of obligation at the beginning of the year</b>	<b>36.42</b>	<b>35.52</b>	<b>35.37</b>	<b>31.84</b>
Interest cost	1.36	2.58	2.56	2.23
Current service cost	2.15	4.21	5.06	5.05
Past service cost	-	-	-	-
Benefits paid (if any)	-	(3.80)	(5.02)	-
Actuarial (gain)/ loss	(0.78)	(2.09)	(2.46)	(3.75)
<b>Present value of obligation at the end of the year</b>	<b>39.15</b>	<b>36.42</b>	<b>35.52</b>	<b>35.37</b>
Less: Fair value of plan assets	-	-	-	-
<b>Liability recognised in the Balance Sheet (A)</b>	<b>39.15</b>	<b>36.42</b>	<b>35.52</b>	<b>35.37</b>
Current liability	7.96	7.59	5.41	4.94
Non current liability	31.20	28.83	30.11	30.43
<b>Total Liability (B)</b>	<b>39.16</b>	<b>36.42</b>	<b>35.52</b>	<b>35.37</b>

Amount recognised in the Statement of Profit & Loss: -

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Interest cost	1.36	2.58	2.56	2.23
Current service cost	2.15	4.21	5.06	5.05
Actuarial (gain)/ loss	(0.78)	(2.09)	(2.46)	(3.75)
<b>Expense recognised in the Statement of Profit &amp; Loss</b>	<b>2.73</b>	<b>4.70</b>	<b>5.16</b>	<b>3.53</b>

Financial actuarial assumptions: -

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Discount rate (p.a.)	7.50%	7.50%	7.25%	7.00%
Salary growth rate (p.a.)	5.00%	5.00%	5.00%	5.00%

**D. Related Party Disclosures in accordance with Accounting Standard (AS)-18 as notified pursuant to Companies (Accounting Standards) Rules, 2006, as amended.**

**a) List of related parties & relationships, where control exists.**

Nature of Relationship		Name of Related Parties			
	Nature of Relationship	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	<b>Subsidiary company</b>	M/s Zeacloud Services Private Limited	-----	-----	-----
		-----	-----	-----	-----
2	<b>Key Management Personnel</b>	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)	Mr. Santosh Agrawal (Director)
		Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)	Mr. Sunil Agrawal (Director)
3	<b>Relatives of Key Management Personnel</b>	-----	-----	-----	-----



<b>4</b>	<b>Enterprises where Significant Influence exist by Key Management Personnel or their Relatives</b>	M/s Abro Intrade LLP	M/s Zeacloud Services Private Limited  M/s Abro Intrade LLP	M/s Abro Intrade LLP	M/s Abro Intrade LLP
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**b) Transactions with Related Parties**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>M/s Zeacloud Services Private Limited</b>				
Investments in shares	34.43	-	-	-
Sale	-	252.24	-	-
<b>Mr. Santosh Agrawal</b>				
Remuneration	18.00	30.00	30.00	30.00
Interest paid	6.52	19.40	15.20	4.85
Rent paid	27.00	54.00	54.00	54.00
Loan received	-	40.00	110.00	140.00
Loan repaid	107.92	75.00	44.48	-

<b>Mr. Sunil Agrawal</b>				
Remuneration	18.00	30.00	30.00	30.00
Interest paid	0.84	3.48	3.14	2.55
Loan received	-	23.48	15.00	3.30
Loan repaid	3.21	40.85	15.00	-
Acquisition of non- current investments	2.86	-	-	-

<b>M/s Abro Intrade LLP</b>				
Interest paid	-	-	-	2.69
Loan received				
Loan repaid				

**c) Related Parties Balances:**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>M/s Zeacloud Services Private Limited</b>				
Non- current Investments	34.43	-	-	-

<b>Mr. Santosh Agrawal</b>				
Long- term borrowings	137.06	238.47	260.50	181.31

<b>Mr. Sunil Agrawal</b>				
Long- term borrowings	21.39	23.76	41.13	38.30

**E. Operating lease: Company as lessee**

The Company's significant operating lease arrangements include premises taken on lease for a period of 11 months and all of such lease arrangements are cancellable or renewable subject to mutual consent of the lessor and the lessee. Hence, in view of the uncertainty of continuing the arrangement(s) over lease term, rental payments under such arrangements have been recognized as an expense in the statement of Profit & Loss.

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Future minimum lease payments				
Not later than one year	27.00	54.28	54.12	57.34
Later than one year and not later than five years	-	-	-	-
More than five years	-	-	-	-

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Lease payments recognized in Statement of Profit & Loss	27.00	54.28	54.12	57.34

**F. Acquisition of wholly owned subsidiary M/s Zeacloud Services Private Limited**

Pursuant to Share Transfer Agreement dated September 5, 2023, entered into between the company (Transferee) and Mr. Sunil Kumar Agrawal, Mr. Vineet Agrawal and Mr. Amit Gupta (Transferors), the company has acquired 1,20,000 fully paid up equity shares of Rs. 10 each in M/s Zeacloud Services Private Limited, thereby making it a wholly owned subsidiary of the company. The transfer took place on the basis of valuation provided by the registered valuer and the consideration of Rs. 34.43 lakhs has been discharged by way of issuing 10,723 equity shares of Rs. 10 each in aggregate to the respective transferors.

**G. Segment Reporting**

The Company is engaged in the business of trading of IT products including servers, workstations, related IT peripherals and providing IT enabled services. However, Organisational and management structure of the company and its internal financial reporting system does not identify the pre- dominant sources of risks and returns of the company for the purpose of its segment reporting. Therefore, the management has concluded that no separate segment disclosures are required as per Accounting Standard- 17 on 'Segment Reporting'.

**H. Earnings & Expenditure In Foreign Currencies, Import of Materials**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Earnings in foreign currency	16.65	12.73	54.11	4.67
Expenditure in foreign currency	0.60	23.79	16.13	10.00
CIF value of imported material	538.24	1,123.44	464.90	227.15

**I. Break- up of payments due to statutory auditors: -**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30 <sup>th</sup> September 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
In respect of Statutory Audit	1.50	5.00	3.00	2.50
<b>Total</b>	<b>1.50</b>	<b>5.00</b>	<b>3.00</b>	<b>2.50</b>

J. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

- K. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- L. There are no transaction with the companies whose name struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the period covered under these restated financial information
- M. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- N. "No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate Beneficiaries").

Moreover, the Company has not received any fund from any party ("Funding Party") with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

- O. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- P. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- Q. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- R. There has been no changes in the accounting policies during the period covered under the restated standalone financial information.
- S. There has been no qualifications in the independent auditor's report during the period covered under the restated standalone financial information.

**Note -I.5: Restated Standalone Statement of Short term Borrowings**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particular	As at 30 <sup>th</sup> September 2023	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<u>Current maturity of long term borrowings from banks: -</u>	20.26	39.84	15.26	11.43
Cash credit from ICICI Bank (secured)	65.97	372.95	363.14	310.06
<u>Loan repayable on demand (unsecured)</u>	671.62	350.03	-	-
<b>Total</b>	<b>757.85</b>	<b>762.82</b>	<b>378.40</b>	<b>321.49</b>

Terms and Nature of loans :-				
Particular	30th September 2023	31st March 2023	31st March 2022	31st March 2021
<b>Cash credit from ICICI Bank</b>				
Interest Rate	9.00%	8.60%	8.29%	9.35%
Security	Hypothecation of current assets being stock, book debts and equitable mortgage property of directors situated at Bilaspur (M.P.) along with personal guarantee of directors.			

Loan repayable on demand				
Interest Rate				
Other stipulation				

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-I.6: Restated Standalone Statement of Trade Payables**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Trade Payable due to:</b>				
Micro and small enterprises	-	-	-	-
Other than Micro and small enterprises	2,200.77	1,004.63	1,455.22	875.67
<b>Total</b>	<b>2,200.77</b>	<b>1,004.63</b>	<b>1,455.22</b>	<b>875.67</b>

**Trade Payables Ageing Schedule**

Particulars		Outstanding from due date of payment As at 30th September 2023				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	2,189.52	-	-	11.25	2,200.77
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-
Total		2,189.52	-	-	11.25	2,200.77

Particulars		Outstanding from due date of payment As at 31st March 2023				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSME	-	-	-	-	-

(ii)	Others	993.38	-	-	11.25	1,004.63
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-
Total		993.38	-	-	11.25	1,004.63

Particulars		Outstanding from due date of payment As at 31st March 2022				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	1,443.20	10.36	1.06	0.60	1,455.22
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-
Total		1,443.20	10.36	1.06	0.60	1,455.22

Particulars		Outstanding from due date of payment As at 31st March 2021				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	871.84	3.23	0.60	-	875.67
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-
Total		871.84	3.23	0.60	-	875.67

The following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:-

Particulars		As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(i)	Unpaid amount to any supplier				
	a) Principal amount	-	-	-	-
	b) Interest thereon	-	-	-	-
(ii)	Interest paid as per Sec 16 of MSMED Act, 2006 during the year	-	-	-	-
(iii)	Interest due and payable for the delayed payments made during the year	-	-	-	-
(iv)	Interest accrued and remaining unpaid	-	-	-	-
(v)	Further interest due and payable, which are disallowed as a deductible expense under Sec 23 of MSMED Act, 2006	-	-	-	-

Note 1. The Company does not have any trade payable to promoters/ group companies/ subsidiaries/ material associate companies/related parties as per Accounting Standard-18.

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

**Note-I.7: Restated Standalone Statement of Other Current Liabilities**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b><u>Other Current Liabilities:</u></b>				
Payable against statutory dues	21.33	31.53	39.76	17.64
Payable against expenses	41.33	30.65	31.98	6.78
<b>Total</b>	<b>62.66</b>	<b>62.18</b>	<b>71.74</b>	<b>24.42</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-I.8: Restated Standalone Statement of Short Term Provisions**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
For gratuity	7.96	7.59	5.41	4.94
For income tax (net of advances)	47.77	-	-	-
<b>Total (A+B)</b>	<b>55.73</b>	<b>7.59</b>	<b>5.41</b>	<b>4.94</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.9: Restated Standalone Statement of Property, Plant & Equipment**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Tangible Assets</b>				
<u>Cost or deemed cost: -</u>				
Opening Balance	364.29	394.60	254.03	274.04
Additions during the period	109.67	103.80	158.00	57.45
Asset disposed/ written off during the year	109.77	134.11	17.43	77.46
Closing Balance	364.19	364.29	394.60	254.03
<u>Accumulated depreciation: -</u>				
Opening Balance	210.06	213.49	161.72	186.06
Charge for the period	30.29	76.44	64.98	43.97
Adjusted on assets disposed/ written off	44.65	79.88	13.21	68.32
Closing Balance	195.70	210.06	213.49	161.72
	-	-	-	-
<b>Carrying amount</b>	<b>168.49</b>	<b>154.23</b>	<b>181.10</b>	<b>92.31</b>

**Tangible Assets**

Particulars	Computers	Vehicles	Office Equipment	Furniture and Fitting	Total Tangible Assets
<b>Gross carrying amount</b>					
As at April 01, 2020	113.64	124.24	26.25	9.92	274.05
Additions	38.84	-	12.62	6.00	57.46
Disposals	50.44	-	19.43	7.60	77.47
<b>As at March 31, 2021</b>	<b>102.04</b>	<b>124.24</b>	<b>19.44</b>	<b>8.32</b>	<b>254.04</b>
<b>Accumulated depreciation</b>					
As at April 01, 2020	87.24	75.79	16.30	6.74	186.07
Charge for the year	20.23	15.06	6.87	1.81	43.97
On disposals	45.80	-	15.78	6.74	68.32

<b>As at March 31, 2021</b>	<b>61.67</b>	<b>90.85</b>	<b>7.39</b>	<b>1.81</b>	<b>161.72</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>40.37</b>	<b>33.39</b>	<b>12.05</b>	<b>6.51</b>	<b>92.32</b>
<b>Gross carrying amount</b>					
As at April 01, 2021	102.04	124.24	19.44	8.32	254.04
Additions	100.19	55.45	2.36	-	158.00
Disposals	-	17.43	-	-	17.43
<b>As at March 31, 2022</b>	<b>202.23</b>	<b>162.26</b>	<b>21.80</b>	<b>8.32</b>	<b>394.61</b>
<b>Accumulated depreciation</b>					
As at April 01, 2021	61.67	90.85	7.39	1.81	161.72
Charge for the year	43.40	15.52	5.78	0.28	64.98
On disposals	-	13.21	-	-	13.21
<b>As at March 31, 2022</b>	<b>105.07</b>	<b>93.16</b>	<b>13.17</b>	<b>2.09</b>	<b>213.49</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>97.16</b>	<b>69.10</b>	<b>8.63</b>	<b>6.23</b>	<b>181.12</b>
<b>Gross carrying amount</b>					
As at April 01, 2022	202.23	162.26	21.80	8.32	394.61
Additions	12.00	90.45	1.35	-	103.80
Disposals	88.34	45.76	-	-	134.10
<b>As at March 31, 2023</b>	<b>125.89</b>	<b>206.95</b>	<b>23.15</b>	<b>8.32</b>	<b>364.31</b>
<b>Accumulated depreciation</b>					-
As at April 01, 2022	105.07	93.16	13.17	2.09	213.49
Charge for the year	31.43	40.28	4.44	0.29	76.44
On disposals	37.72	42.15	-	-	79.87
<b>As at March 31, 2023</b>	<b>98.78</b>	<b>91.29</b>	<b>17.61</b>	<b>2.38</b>	<b>210.06</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>27.11</b>	<b>115.66</b>	<b>5.54</b>	<b>5.94</b>	<b>154.25</b>
<b>Gross carrying amount</b>					
As at April 01, 2023	125.89	206.95	23.15	8.32	364.31
Additions	11.40	95.29	2.98	-	109.67
Disposals	-	109.77	-	-	109.77
<b>As at September 30, 2023</b>	<b>137.29</b>	<b>192.47</b>	<b>26.13</b>	<b>8.32</b>	<b>364.21</b>
<b>Accumulated depreciation</b>					-



As at April 01, 2023	98.78	91.29	17.61	2.38	210.06
Charge for the year	7.71	20.32	1.34	0.92	30.29
On disposals	-	44.65	-	-	44.65
<b>As at September 30, 2023</b>	<b>106.49</b>	<b>66.96</b>	<b>18.95</b>	<b>3.30</b>	<b>195.70</b>
<b>Net carrying amount as at September 30, 2023</b>	<b>30.80</b>	<b>125.51</b>	<b>7.18</b>	<b>5.02</b>	<b>168.51</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.10: Restated Standalone Statement of Deferred Tax Assets/(Liabilities)**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Deferred Tax Assets</b>				
Related to Property, Plant & Equipment	14.84	15.62	11.32	14.11
Related to provision for gratuity	9.85	1.31	1.36	9.20
Related to Carry Forward Losses	-	-	22.83	-
Related to unabsorbed depreciation	-	5.93	-	-
<b>Total (a)</b>	<b>24.69</b>	<b>22.86</b>	<b>35.51</b>	<b>23.31</b>
<b>Deferred Tax Liabilities</b>				
Related to Property, Plant & Equipment	-	-	-	-
Related to provision for gratuity	-	-	-	-
Related to Carry Forward Losses	-	-	-	-
Related to unabsorbed depreciation	-	-	-	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred tax charged/ (credited) in statement of Profit & Loss	(1.82)	12.64	(12.19)	(4.36)
<b>Deferred Tax Assets/(Liabilities) (net)</b>	<b>24.69</b>	<b>22.86</b>	<b>35.51</b>	<b>23.31</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.11: Restated Standalone Statement of Non- current investments**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Unquoted Investment (at cost)</b>	-	-	-	-
<u>In Subsidiary: -</u>				
M/s Zeacloud Services Private Limited	34.43	-	-	-
<u>In Others: -</u>				
M/s Esconet Technologies PTE Limited	-	-	-	8.18
<b>Total</b>	<b>34.43</b>	<b>-</b>	<b>-</b>	<b>8.18</b>
Fully paid equity shares of Rs. 10 each in M/s Zeacloud Services Private Limited	1,20,000	-	-	-
Fully paid equity shares of SGD 10 each in M/s Esconet Technologies PTE Limited	-	-	-	1,510

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.12: Restated Standalone Statement of Inventories**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Inventories of IT Hardware	1,366.99	856.96	585.51	586.23
	-	-	-	-
<b>Total</b>	<b>1,366.99</b>	<b>856.96</b>	<b>585.51</b>	<b>586.23</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II,III and IV respectively.

**Note-I.13: Restated Standalone Statement of Trade Receivables**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good	2,575.84	1,258.74	1,546.27	865.31
Unsecured, considered doubtful	-	-	-	-
<b>Total</b>	<b>2,575.84</b>	<b>1,258.74</b>	<b>1,546.27</b>	<b>865.31</b>
Less: Allowance for bad and doubtful debts	-	-	-	-
<b>Net Total</b>	<b>2,575.84</b>	<b>1,258.74</b>	<b>1,546.27</b>	<b>865.31</b>

**Trade Receivable Ageing Schedule**

S No.	Particulars	Outstanding from due date of payment As at 30th September 2023					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total

(i)	Undisputed Trade Receivables: Considered good	2,370.15	36.66	63.86	-	91.18	<b>2,561.85</b>
(ii)	Undisputed Trade Receivables: Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables: Considered good	-	-	-	-	13.96	-
(iv)	Disputed Trade Receivables: Considered doubtful	-	-	-	-	-	-

S No.	Particulars	Outstanding from due date of payment As at 31st March 2023					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables: Considered good	1,088.41	57.99	1.49	5.31	91.56	<b>1,244.76</b>
(ii)	Undisputed Trade Receivables: Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables: Considered good	-	-	-	-	13.96	-
(iv)	Disputed Trade Receivables: Considered doubtful	-	-	-	-	-	-

S No.	Particulars	Outstanding from due date of payment As at 31st March 2022					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables: Considered good	1,399.88	15.86	11.68	96.22	22.60	<b>1,546.24</b>
(ii)	Undisputed Trade Receivables: Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables: Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables: Considered doubtful	-	-	-	-	-	-

S No.	Particulars	Outstanding from due date of payment As at 31st March 2021					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables: Considered good	698.64	25.70	97.13	14.20	29.61	<b>865.28</b>
(ii)	Undisputed Trade Receivables: Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables: Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables: Considered doubtful	-	-	-	-	-	-

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-I.14: Restated Standalone Statement of Cash and Cash Equivalents**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Cash &amp; Cash Equivalents</b>				
Balance with banks	1.00	-	0.29	4.81
Cheques, draft on hand	-	-	-	-
Cash on hand	1.11	0.84	4.86	4.38
<b>Deposit held as margin money for bank guarantee:</b>				
With maturity less than 12 months	-	-	-	-
With maturity more than 12 months	39.97	49.99	25.82	25.95
<b>Total</b>	<b>42.08</b>	<b>50.83</b>	<b>30.97</b>	<b>35.14</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note – I.15: Restated Standalone Statement of Short Term Loans and Advances**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Unsecured and considered good ;</b>				
Advances to Staff	10.75	9.27	14.03	19.34
Earnest Money Deposits with Customers	19.49	21.12	35.72	18.77
Advances to Suppliers	-	10.94	-	-
<b>Total</b>	<b>30.24</b>	<b>41.33</b>	<b>49.75</b>	<b>38.11</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note I.16: Restated Standalone Statement of Other Current Assets**

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<b>Unsecured and Considered Good</b>				
GST Input	9.91	49.74	10.72	30.81
Advance income tax (net of provisions)	-	26.90	128.85	49.00
Prepaid expenses	-	300.00	19.08	20.00
<b>Total</b>	<b>9.91</b>	<b>376.64</b>	<b>158.65</b>	<b>99.81</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

**Note-II.1: Restated Standalone Statement of Revenue from Operations**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Sale of IT Hardware	6,282.57	8,912.70	6,521.90	4,192.22
Service Charges	845.21	553.26	334.39	219.67
<b>Total</b>	<b>7,127.78</b>	<b>9,465.96</b>	<b>6,856.29</b>	<b>4,411.89</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note-II.2: Restated Standalone Statement of Other Income

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Interest on Income tax Refund	-	2.99	-	5.31
Foreign exchange fluctuation gain	-	-	-	1.76
Miscellaneous Income	-	5.23	-	-
Interest on FDR Deposit	0.34	4.77	1.18	1.38
Profit on sale of PPE	4.78	18.59	1.90	-
<b>Total</b>	<b>5.12</b>	<b>31.58</b>	<b>3.08</b>	<b>8.45</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note – II.3: Restated Standalone Statement of Purchases

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Purchase of IT Hardware	6,133.80	7,610.30	5,649.44	3,798.72
<b>Total</b>	<b>6,133.80</b>	<b>7,610.30</b>	<b>5,649.44</b>	<b>3,798.72</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note – II.4: Restated Standalone Statement of Changes in Inventories

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Opening Stock of IT Hardware	856.96	585.51	586.23	445.95
Less: Closing Stock of IT Hardware	1,366.99	856.96	585.51	586.23
<b>Changes in Inventories</b>	<b>(510.03)</b>	<b>(271.45)</b>	<b>0.72</b>	<b>(140.28)</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note – II.5: Restated Standalone Statement of Employee Benefit Expenses

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Salaries & Allowances	197.28	409.72	367.97	333.66
Director Remuneration	36.00	60.00	60.00	60.00
Gratuity expense	2.73	4.70	5.22	3.64
Bonus	3.51	6.01	3.01	2.77
Contribution to provident and other funds	4.79	10.54	8.38	6.55
Staff welfare expenses	5.72	19.46	8.72	6.33
<b>Total</b>	<b>250.03</b>	<b>510.43</b>	<b>453.30</b>	<b>412.95</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note – II.6: Restated Standalone Statement of Finance cost

(Amount ""Rs. In Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Interest on borrowings	61.83	86.69	63.34	52.57
Interest on delayed payment to parties	-	14.48	3.58	8.94
Interest on statutory dues	5.82	4.38	3.75	2.45
Other finance charges	12.89	9.78	6.54	8.39
<b>Total</b>	<b>80.54</b>	<b>115.33</b>	<b>77.21</b>	<b>72.35</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note – II.7: Restated Standalone Statement of Other Expenses

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Service Charges	456.28	500.85	139.13	62.56
Rent	27.00	54.28	54.12	57.34
Professional Fees & Legal Expenses	32.18	48.00	43.78	16.30
Travelling & Conveyance Expenses	24.50	35.78	20.42	18.94
Advertisement, Sales & Marketing	106.37	102.88	71.98	47.71
Commission Expenses	27.44	124.49	117.51	52.22
Tender Expenses	13.17	13.14	10.17	7.91
Freight Outward	9.64	21.67	16.90	10.13
Electricity Expenses	5.18	9.09	7.64	6.14
Bad Debts	0.13	21.22	19.61	2.43
Maintenance Expenses- Computer	7.40	13.50	5.94	3.90
General Establishment Expenses	13.91	13.10	16.69	16.54

Telephone Expenses	2.39	4.43	3.75	5.02
Printing and Stationery	1.58	1.54	0.79	1.69
Liquidated Damages	-	19.21	13.38	6.18
Audit Fee	1.50	5.00	3.00	2.50
Membership Expenses	6.05	13.25	1.32	3.06
Loss on sale of PPE	-	-	-	10.05
Loss on sale of Investments	-	-	4.67	-
Additional Demand- Govt. Dues	-	-	-	0.82
Insurance Expenses	3.69	5.46	2.50	3.57
Foreign exchange fluctuation loss	-	3.05	-	-
Miscellaneous Expenses	0.36	0.95	0.25	2.46
<b>Total</b>	<b>738.77</b>	<b>1,010.89</b>	<b>553.55</b>	<b>337.47</b>

Note: The above statements should be read with the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

#### Note– II.8: Restated Standalone Statement of Earnings per Share

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Particulars	From 01-04-2023 to 30-09-2023	For ended Year 31-03-2023	For ended Year 31-03-2022	For ended Year 31-03-2021
<b>Calculation of Earnings per Share (EPS)</b>				
Profit/ (Loss) after tax as per Restated Statement of Profit & Loss	304.48	304.02	72.36	-100.48
Weighted Average Number of Equity Shares	6,73,005	7,67,100	7,67,100	7,67,100
<b>Earnings per share- EPS (in Rs.)</b>				
Basic	45.24	39.63	9.43	-13.10
Diluted	45.24	39.63	9.43	(13.10)

Note:-

EPS Ratios have been calculated as follows:

"Basic Earning per share = Restated Profit after Tax available to equity/Weighted Average Number of Equity Shares"

"Diluted Earning per share = Restated Profit after Tax available to equity/ Weighted Average Number of Equity Shares"

**Annexure-V: Restated Standalone Statement of Accounting Ratios**

S. No.	Ratios	Numerator	Denominator	As at				Change in September 2023	change in 2023	change in 2022	Reason for September 2023	Reason for changes in 2023	Reason for changes in 2022
				30th September 2023 <sup>(Note 1)</sup>	31st March 2023	31st March 2022	31st March 2021						
1	Current Ratio	Current Assets	Current Liabilities	1.31	1.41	1.24	1.32	-7.01%	13.36%	-6.31%	-----	-----	-----
2	Debt Equity Ratio	Total Debts (Long term Borrowings + Short term Borrowings)	Total Equity (Equity Share capital + Reserve & Surplus)	1.13	1.99	3.09	3.56	-43.27%	-35.65%	-13.21%	Company is systematically reducing its overall debt and its retained earnings have increased	Company is systematically reducing its overall debt and its retained earnings have increased	Company is systematically reducing its overall debt and its retained earnings have increased
3	Debt-Service Coverage Ratio	Earnings available for debt service (Net profit before exceptional Items & tax expense + depreciation & amortization + Finance cost)	Total Debt Services (Finance cost + principle repayment of borrowings during the period/year)	2.97	5.53	2.62	0.06	-46.35%	110.86 %	3963.48 %	Improvement in company ability to meet its Debt Obligation due in increase in Net operating Income	Improvement in company ability to meet its Debt Obligation due in increase in Net operating Income	Improvement in company ability to meet its Debt Obligation due in increase in Net operating Income
4	Return on Equity	Net profit after tax-Exceptional items	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share	42.06%	75.54 %	33.77 %	- 44.01 %	-44.32%	123.69 %	176.74%	Though company Net income has increased for the six months period but in comparison to last full	Company Net income continuous increase significantly YOY basis attributable to efficient use of debt	Company Net income increase significantly after incurring loss last year due to



			Capital + Closing Other Equity)/2]								year it has decreased	and asset utilization.	operational efficiency
5	Inventory Turnover Ratio	Revenue from sales of products	Average Inventory [(opening balance + closing balance)/2]	6.41	13.12	11.70	8.55	-51.16%	12.15%	36.90%	For the six month period there were certain inventory procured to be billed later leading to increase in Stock in trade	-----	It has increased due to better Inventory management and improved sales performance
6	Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable [(Opening balance + closing balance)/2]	7.44	6.75	5.69	5.17	10.16%	18.70%	10.07%	-----	-----	-----
7	Trade Payable Turnover Ratio	Purchases	Average trade payable [(Opening balance + closing balance)/2]	7.44	6.75	5.69	5.17	10.16%	18.70%	10.07%	-----	-----	-----
8	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset-current liabilities)	15.04	12.67	14.89	11.08	19%	-14.94%	34.37%	-----	-----	Company was able to Achieve higher sales without proportionate increase in capital

9	Net Profit Ratio	Net profit after tax and Exceptional items	Revenue from operations	2.14%	3.21%	1.06%	- 2.28%	-33.50%	204.32%	-146.34%	For the six month Period Net profit have decreased in absolute value but It will Be on par if compared YOY basis	Company has achieved Record high sale thereby increase in Net profit and also direct cost associated with sales have decreases leading to Increase gross margin	Company had incurred Net Loss in 2021 and turned profitable in 2022 leading to massive change
10	Return on capital Employed	Profit Before interest, Tax & Exceptional item	Capital Employed (Tangible Net Worth+ Total Debt+ Deferred Tax Liability)	25.76%	33.82%	13.40%	-4.00%	-23.84%	152.43%	435.27%	-----	Operating income have increased fuelled by Increased revenue and efficient working Capital utilization	Operating income have increased fuelled by Increased revenue and efficient working Capital utilization
11	Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	0.85%	15.52%	4.57%	25.78%	-94.52%	239.67%	-82.27%	For the six month Period ROI have decreased in absolute value but It will Be on par if compared YOY basis	There was a one time profit on sale of fixed assets which led to spike in ratio	Company had incurred Net Loss in 2021 and turned profitable in 2022 leading to change

Notes :-

- Figures for the period from 1st April 2023 to 30th September 2023 are not annualised.

# Annexure-V.I: Restated Standalone Statement of Accounting Ratios

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Current Assets (A)	4,025.06	2,584.50	2,371.15	1,624.60
Current Liabilities(B)	3,077.01	1,837.22	1,910.77	1,226.52
Total Debt/ Liabilities ( C)	1,008.94	1,103.89	774.83	634.85
Shareholder's Equity (D)	893.37	554.47	250.45	178.09
Net Profit /(loss) After Tax ( E)*	304.48	304.02	72.36	(100.48)
Average Shareholders Fund (F)	723.92	402.46	214.27	228.33
<b>Sales/ Revenue from Operation(G)</b>	<b>7,127.78</b>	<b>9,465.96</b>	<b>6,856.29</b>	<b>4,411.89</b>
Opening Stock	856.96	585.51	586.23	445.95
Closing Stock	1,366.99	856.96	585.51	586.23
<b>Average Stock (H)</b>	<b>1,111.98</b>	<b>721.24</b>	<b>585.87</b>	<b>516.09</b>
<b>Sales (I)</b>	<b>14,255.56</b>	<b>9,465.96</b>	<b>6,856.29</b>	<b>4,411.89</b>
Opening Debtors	1,258.74	1,546.27	865.31	842.75
Closing Debtors	2,575.84	1,258.74	1,546.27	865.31
<b>Average Debtors (J)</b>	<b>1,917.29</b>	<b>1,402.51</b>	<b>1,205.79</b>	<b>854.03</b>
Total Purchases (K)	6,133.80	7,610.30	5,649.44	3,798.72
Opening Creditors	1,004.63	1,455.22	875.67	676.16
Closing Creditors	2,200.77	1,004.63	1,455.22	875.67
<b>Average Creditors (L)</b>	<b>1,602.70</b>	<b>1,229.93</b>	<b>1,165.45</b>	<b>775.92</b>
<b>Working Capital (M)</b>	<b>948.05</b>	<b>747.28</b>	<b>460.38</b>	<b>398.08</b>
EBIT (N)*	490.04	560.93	137.38	-32.49
<b>Capital Employed (O)</b>	<b>1,902.31</b>	<b>1,658.36</b>	<b>1,025.28</b>	<b>812.94</b>
<b>Current Ratio (A/B)</b>	<b>1.31</b>	<b>1.41</b>	<b>1.24</b>	<b>1.32</b>
<b>Debt Equity Ratio (C/D)</b>	<b>1.13</b>	<b>1.99</b>	<b>3.09</b>	<b>3.56</b>
<b>Debt Service Coverage Ratio</b>	<b>2.97</b>	<b>5.53</b>	<b>2.62</b>	<b>0.06</b>
<b>Return on Equity (%) (E/F)</b>	<b>42.06%</b>	<b>75.54%</b>	<b>33.77%</b>	<b>(56.42)%</b>
<b>Inventory Turnover Ratio (G/H)</b>	<b>6.41</b>	<b>13.12</b>	<b>11.70</b>	<b>8.55</b>
<b>Trade Receivable Turnover Ratio (I/J)</b>	<b>7.44</b>	<b>6.75</b>	<b>5.69</b>	<b>5.17</b>
<b>Trade Payables Turnover Ratio (K/L)</b>	<b>3.83</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Net Capital turnover Ratio (I/M)</b>	<b>15.04</b>	<b>12.67</b>	<b>14.89</b>	<b>11.08</b>
<b>Net Profit Ratio (E/I)</b>	<b>2.14%</b>	<b>3.21%</b>	<b>1.06%</b>	<b>-2.28%</b>
<b>Return on Capital Employed (N/O)</b>	<b>42.37%</b>	<b>59.11%</b>	<b>20.76%</b>	<b>-8.33%</b>
<b>Return on Investments</b>	<b>0.85%</b>	<b>15.52%</b>	<b>4.57%</b>	<b>25.78%</b>

Note:

\* Figures for the period from 1st April 2023 to 30th September 2023 are not annualised.

The Ratios have been computed as below:

1. Current Ratio= Current Assets/ Current Liabilities.
2. Debt Equity Ratio = Total Liabilities (Borrowings)/ Total Equity
3. Debt Service Coverage Ratio = Earnings available for debt service/Total Debt Services
4. Return on Equity = Profit after Tax/ Average Shareholders Fund

5. Inventory Turnover Ratio =  $\text{COGS} / \text{Average Stock}$
6. Trade Receivable Turnover Ratio =  $\text{Sales} / \text{Average Debtor}$
7. Trade Payable Turnover Ratio =  $\text{Purchase} / \text{Average Creditor}$
8. Net Capital Turnover Ratio =  $\text{Sales} / \text{Working Capital}$
9. Net Profit Ratio =  $\text{Profit After Tax} / \text{Total Sales}$
10. Return on Capital Employed =  $\text{EBIT} / \text{Capital Employed}$
11. The company does not have any revaluation reserves or extraordinary items.

## Annexure VI - Restated Standalone Statement of Capitalisation

### CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2023, on the basis of the restated financial information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	Pre offer as at September 30,2023	As adjusted for the proposed Offer*
Borrowings:		
Long term borrowings (A)	251.09	251.09
Short term borrowings (B)	757.85	757.85
Total borrowings (C)	<b>1008.94</b>	<b>1008.94</b>
Equity:		
Equity share capital	77.78	1,236.00
Reserves and surplus	815.59	2571.64
Total equity (D)	<b>893.37</b>	3,807.64
Ratio: Total borrowings (C)/ Total equity (D)	<b>1.13</b>	0.26
Notes:		
1. As per the restated standalone financial information.		

The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

**Annexure -VII- Restated Standalone Statement of tax shelters**

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	30th September 2023	31st March 2023	31st March 2022	31st March 2021
<b><u>Tax Rates</u></b>				
Income tax rate (%)	25.00%	25.00%	25.00%	25.00%
Surcharge	7.00%	7.00%	7.00%	7.00%
Health & Education cess	4.00%	4.00%	4.00%	4.00%
Income tax rate (%)	27.82%	27.82%	27.82%	27.82%
Minimum alternate tax (MAT) rate (%)	15.00%	15.00%	15.00%	15.00%
Surcharge (if income exceeds Rs. 1 Cr.)	7.00%	7.00%	7.00%	7.00%
Health & Education cess	4.00%	4.00%	4.00%	4.00%
Minimum alternate tax (MAT) rate (%)	16.69%	16.69%	16.69%	16.69%
<b>Income from business or profession</b>				
Restated profit before tax as per books (B)	409.50	445.60	60.17	-104.84
<b>Timing differences during the year</b>				
<u>Expenses allowable/ disallowable subject to provisions of Income tax Act: -</u>				
Depreciation	30.29	31.22	-8.87	4.11
Profit/ (loss) on sales of property, plant & equipment	-	-	-1.90	-
Expenses allowable on payment basis u/s 43B	-	4.39	0.15	3.53
Brought forward losses and unabsorbed depreciation set off	-	-21.27	-66.47	-
<b>Total timing differences during the year (C)</b>	<b>30.29</b>	<b>14.35</b>	<b>-77.10</b>	<b>7.64</b>
<b>Permanent differences during the year</b>				
Expenses disallowed u/s 37 of the Income tax Act	-	4.60	17.13	9.45
<b>Total permanent differences (D)</b>	<b>-</b>	<b>4.60</b>	<b>17.13</b>	<b>9.45</b>
<b>Taxable income (E) = (B+C+D)</b>	<b>439.79</b>	<b>464.55</b>	<b>0.20</b>	<b>-87.74</b>
Restated profit before tax as per books (F)	409.50	445.60	60.17	-104.84
Additions to be made u/s 115JB (G)	-	-	-	-
Deductions allowed u/s 115JB (H)	-	-	-27.67	-
<b>Book Profit u/s 115JB (I)=(F-G+H)</b>	<b>409.50</b>	<b>445.60</b>	<b>32.50</b>	<b>-104.84</b>
<b>Income tax payable under normal provisions</b>	<b>122.35</b>	<b>120.78</b>	<b>0.05</b>	<b>-</b>
<b>Book profit for MAT</b>	<b>409.50</b>	<b>445.60</b>	<b>32.50</b>	<b>-104.84</b>
<b>MAT on book profit</b>	<b>68.35</b>	<b>74.38</b>	<b>5.07</b>	<b>-</b>
Tax payable as per normal or MAT	Normal	Normal	MAT	Normal
Tax payable on restated profits	122.35	120.78	5.07	-
Tax payable as per return	Nil*	120.78	5.07	-
Differences		-	-	-

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended on September 30, 2023 and financial year ended March 31, 2023, 2022 and 2021. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 186 of the Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 27 of this Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 17 of this Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Esconet Technologies Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for the period ended on September 30, 2023 and financial year ended March 31, 2023, 2022 and 2021 included in this Draft Red Hearing Prospectus beginning on page 186 of this Prospectus.*

### BUSINESS OVERVIEW

Esconet Technologies Private Limited, established in 2012 as Esconet Technologies Private Limited, has evolved into a established system integrator within the IT infrastructure, cloud computing (through its subsidiary ZeaCloud Services), managed services, and data security sectors. Over the years, Esconet has transitioned from a mere hardware and software vendor to a revered advisor, manufacturer, integrator, and service provider, earning the trust of numerous private and public sector organizations.

The company is proficient in addressing diverse IT needs, including servers, storage, networks, security, virtualization, and data protection, catering to SMEs, large enterprises, and public sector clients. Recognizing the burgeoning demand in the Indian market, Esconet introduced its brand, HexaData, specializing in high performance Servers, Workstations, and storage systems. Additionally, Esconet's strategic collaboration with NVIDIA has resulted our remarkable growth in the AI and ML domain, enhancing our servers and workstations.

Esconet provides a robust suit server solution meticulously crafted to cater to the diverse and evolving needs of enterprises. These solutions encompass cutting-edge hardware configurations, seamless networking, and secure storage options, providing a reliable foundation for businesses to build upon. In stride with the data-driven era, Esconet goes beyond conventional server services and integrates sophisticated machine learning tools and artificial intelligence into its portfolio.

Esconet provides a wide range of System Integration services that involves total IT solutions including hardware, network and software implementations. Usually in a typical enterprising environment, the IT requirements essentially consist of hardware and software both. We have an experience in understanding our customer's requirements and gives effective solutions that involves both the components with required modules as we recognize that every business has its own need, therefore, we also provide tailor-based services that shall be aligned as per the operational requirement and objective of our client.

At Esconet Technologies, we are committed towards providing our clients with comprehensive IT solutions that cater to their unique requirements, backed by exceptional service and support. Our goal is to empower businesses with the technology they need to thrive in today's dynamic and competitive landscape.

Esconet Technologies goes beyond offering exceptional products; we pride ourselves on delivering a full spectrum of services designed to support our clients throughout their IT lifecycle. Our proficient service delivery team is dedicated to ensuring the successful implementation, management, and optimization of IT solutions.

For detailed information on the business of our Company please refer to "Our Business" beginning on page numbers 112 of this Prospectus

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD**

As per mutual discussion between the Board of the Company and LM, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in this Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The Board of Directors of our Company approved appointment of Mr. Vineet Agrawal as Additional Director in the Board Meeting held on July 25, 2023.
- Alteration in the main objects of the company vide special resolution passed at the Extra-Ordinary General Meeting held on August 09, 2023. Subsequently, a Fresh Certificate of Incorporation was issued on August 18, 2023 by the Registrar of Companies, Delhi.
- Change in status of the Company from private limited to public limited vide special resolution passed at the Extra-Ordinary General Meeting held on August 09, 2023. Subsequently, the name of our Company was changed to “Esconet Technologies Limited” and a Fresh Certificate of Incorporation was issued on September 21, 2023 by the Registrar of Companies, Delhi.
- The authorized capital of the Company has been increased from ₹ 1,00,00,000 to ₹ 15,00,00,000 by creation of 1,40,00,000 new Equity Shares of ₹10 each vide ordinary resolution passed at the Extra-Ordinary General Meeting held on September 23, 2023.
- The Board of Directors of our Company approved allotment of 10,723 equity shares on Private Placement basis in the Board Meeting held on September 05, 2023.
- The Shareholders of our Company approved appointment of Mr. Santosh Kumar Agrawal as Managing Director in the Extra-Ordinary General Meeting held on September 11, 2023.
- The Shareholders of our Company approved appointment of Mr. Sunil Kumar Agrawal and Mr. Vineet Agrawal as Whole-time director in the Extra-Ordinary General Meeting held on September 26, 2023.
- The Shareholders of our Company regularized the appointment of Mr. Mukesh Chand Jain, Mr. Gaurav Gupta and Mrs. Ashi Jain as an Independent Directors in the Extraordinary General Meeting held on November 03, 2023.
- The Board of Directors of our Company approved the appointment of Mr. Himanshu Purohit and Mr. Rajnish Pandey as Chief Financial Officer (CFO) and Company Secretary & Compliance officer (CS) in the Board Meeting held on November 02, 2023.
- The Board of Directors of our Company approved bonus allotment of 77,78,230 equity shares in the Board Meeting held on November 17, 2023.
- The Board of Directors of our Company approved allotment of 4,43,947 equity shares on Private Placement basis in the Board Meeting held on November 30, 2023.
- The Board of Directors of our Company have approved raising of funds by way of Initial Public Offering vide its resolution dated November 17, 2023.
- The Shareholders of our Company have been authorised to raise the funds by way of Initial Public Offering vide special resolution passed at the Extra-Ordinary General Meeting held on November 20, 2023.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 27 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our business is highly dependent on technology and any disruption or failure of our technology systems may affect our operations.
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which



affect national & international finance.

- ability to retain our skilled personnel;
- Performance of Company's competitors;
- Significant developments in India's economic and fiscal policies;
- Volatility in the Indian and global capital market;

## DISCUSSION ON RESULT OF OPERATION

### *Our Significant Accounting Policies*

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled "Financial Statements" beginning on page 234 of the Prospectus.

### *Overview of Revenue & Expenditure*

Our revenue and expenses are reported in the following manner:

#### Revenues

##### ♦ Revenue of operations

Our Company's revenue is primarily generated from sale of products and sale of services.

##### ♦ Other Income

Our other income mainly consists of interest income and other non-operating income. (Details as per Restated Standalone)

(Rs. In Lakhs)

Particulars	For the period ended March 31		
	2023	2022	2021
<b>Income</b>			
Revenue from operations	9,465.96	6,856.29	4,411.89
As a % of total Income	99.67%	99.96%	99.81%
Other Income	31.58	3.08	8.45
As a % of Total Income	0.33%	0.04%	0.19%
<b>Total Revenue</b>	<b>9,497.54</b>	<b>6,859.37</b>	<b>4,420.34</b>

#### Expenditure

Our total expenditure primarily consists of Direct Cost relating to employee benefit expenses, Finance Costs and other expenses.

##### ♦ Employment Benefit Expenses

Our employee benefit expenses mainly include salaries and wages, contribution to provident and other funds and staff welfare expenses.

##### ♦ Finance Costs

Our finance costs mainly include interest expenses and other borrowing costs.

##### ♦ Depreciation and Amortisation Expense

Depreciation and Amortisation expense includes depreciation.

##### ♦ Other Expenses

It includes Payment to Auditors, Power and Fuel, Rent, Repair and Maintenance, Professional fees, Telephone and Internet charges, Insurance Expenses and others.

## RESULTS OF OUR OPERATION

(Rs. In Lakhs)

	From 01-04-2023 to 30-09-2023	For Year ended 31-03-2023	For Year ended 31-03-2022	For Year ended 31-03-2021
Revenue from operations	7,127.78	9,465.96	6,856.29	4,411.89
% of total revenue	99.93%	99.67%	99.96%	99.81%
% Increase/(Decrease)		38.06%	55.40%	
Other income	5.12	31.58	3.08	8.45
% of total revenue	0.07%	0.33%	0.04%	0.19%
% Increase/(Decrease)		925.32%	-63.55%	
<b>Total income (I+II)</b>	<b>7,132.90</b>	<b>9,497.54</b>	<b>6,859.37</b>	<b>4,420.34</b>
<b>Variance</b>		38.46%	55.18%	
<u>Expenses:</u>				
Purchases	6,133.80	7,610.30	5,649.44	3,798.72
% of total revenue	85.99%	80.13%	82.36%	85.94%
% Increase/(Decrease)		34.71%	48.72%	
Changes in inventories of stock- in- trade	-510.03	-271.45	0.72	-140.28
% of total revenue	-7.15%	-2.86%	0.01%	-3.17%
% Increase/(Decrease)		-37801.39%	-100.51%	
Employee benefit expenses	250.03	510.43	453.3	412.95
% of total revenue	3.51%	5.37%	6.61%	9.34%
% Increase/(Decrease)		12.60%	9.77%	
Finance cost	80.54	115.33	77.21	72.35
% of total revenue	1.13%	1.21%	1.13%	1.64%
% Increase/(Decrease)		49.37%	6.72%	
Depreciation and amortization	30.29	76.44	64.98	43.97
% of total revenue	0.42%	0.80%	0.95%	0.99%
% Increase/(Decrease)		17.64%	47.78%	
Other expenses	738.77	1,010.89	553.55	337.47
% of total revenue	10.36%	10.64%	8.07%	7.63%
% Increase/(Decrease)		82.62%	64.03%	
<b>Total expenses</b>	<b>6,723.40</b>	<b>9,051.94</b>	<b>6,799.20</b>	<b>4,525.18</b>
% of total revenue	94.26%	95.31%	99.12%	102.37%
% Increase/(Decrease)		33.13%	50.25%	
<b>Profit before interest tax and depreciation (EBITDA)</b>	<b>520.33</b>	<b>637.37</b>	<b>202.36</b>	<b>11.48</b>
% of total revenue	7.29%	6.71%	2.95%	0.26%
% Increase/(Decrease)		214.97%	1662.72%	
<b>Profit before Interest and Tax (EBIT)</b>	<b>490.04</b>	<b>560.93</b>	<b>137.38</b>	<b>-32.49</b>

% of total revenue	6.87%	5.91%	2.00%	-0.74%
% Increase/(Decrease)		308.31%	-522.84%	
<b>Profit/(Loss) before Tax (V-VI)</b>	<b>409.5</b>	<b>445.6</b>	<b>60.17</b>	<b>-104.84</b>
% of total revenue	5.74%	4.69%	0.88%	-2.37%
% Increase/(Decrease)		640.57%	-157.39%	
Tax expenses:				
- Current Tax	106.84	128.94	-	-
- Tax adjustments for earlier year	-	-	-	-
- Deferred Tax	-1.82	12.64	-12.19	-4.36
Total tax expenses	<b>105.02</b>	<b>141.58</b>	<b>-12.19</b>	<b>-4.36</b>
<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>304.48</b>	<b>304.02</b>	<b>72.36</b>	<b>-100.48</b>
% of total revenue	4.27%	3.20%	1.05%	-2.27%
% Increase/(Decrease)		320.15%	-172.01%	

## REVIEW OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

### Income from Operations

Our revenue from operations for the period ended September 30, 2023 was Rs. 7,127.78 Lakhs, which is 99.93% of the total revenue, which includes revenue from sale of IT Hardware and revenue from service charges.

### Other Income

Our other income for the period ended September 30, 2023 was Rs. 5.12 Lakhs which is 0.07% of the total revenue.

### Expenditure

#### Purchase of Stock in Trade

The Purchase of Stock in Trade costs for the period ended September 30, 2023 were Rs. 6,133.80 lakh which was about 85.99% of the total revenue and which includes purchase of IT Hardware.

#### Changes in inventory of finished goods, work-in -progress, stock-in trade

The Changes in inventory of finished goods costs for the period ended September 30, 2023 were Rs. (510.03) Lakh which is about (7.15%) % of the total revenue and it primarily consist of changes in Finished goods.

#### Employee Benefits expenses

The employee benefits expenses for the period ended September 30, 2023 were Rs. 250.03 Lakhs, which is 3.51% of the total revenue. Employee benefits expenses salary & wages, contribution to provident fund, bonus, staff welfare expenses and other funds.

#### Finance Costs

Finance costs for the period ended September 30, 2023 were Rs. 80.54 Lakhs which was about 1.13% of the total revenue and include interest expense and other borrowing costs.

#### Depreciation and Amortisation Expense

Depreciation and amortization expenses for the period ended September 30, 2023 were Rs. 30.29 Lakhs which was about 0.42%

of the total revenue and which consists of depreciation.

### Other Expenses

The other expenses for the period ended September 30, 2023 were Rs. 738.77 Lakhs which was about 10.36% of the total revenue and which includes Payment to Auditors, Power and Fuel, Rent, Repair and Maintenance, Professional fees, Telephone and Internet charges, Insurance Expenses and others.

### EBITDA

Our EBITDA for the period ended September 30, 2023 were Rs. 520.33 Lakhs.

### Profit before Interest and Tax

Our PBIT for the period ended September 30, 2023 were Rs. 490.04 Lakhs.

### Profit before Tax

Our PBT for the period ended September 30, 2023 were Rs. 409.50 Lakhs.

### Net Profit after Tax and Extraordinary items

The reason for increase in Net Profit from Rs. 72.36 Lakhs in the fiscal year ended March 31, 2022 to profit of Rs. 304.02 Lakhs in the fiscal year ended March 31, 2023 is twofold. First, the Net profit was increased due to increase in revenue from operations from Rs. 6,859.37 Lakh in the fiscal year ended March 31, 2022 to Rs. 9,497.54 Lakh in the fiscal year ended March 31, 2023. Second, due to overall process efficiency, the expenses are not increased in same proportion with the increase in the revenue which increases the overall PAT.

## FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

### Income

Total revenue has increased by Rs. 2,638.17 Lakhs and 38.46%, from Rs. 6,859.37 Lakhs in the fiscal year ended March 31, 2022 to ₹ 9,497.54 Lakhs in the fiscal year ended March 31, 2023. The increase in revenue is because of increase in sale of IT hardware and service charges due to increase in the amount of order.

As mentioned above, the increase in sales from FY22 to FY23 is on account of larger sales order received from the customers. Please also see below the comparison of revenue generated from top 10 customers in FY22 and FY23.

(Amount in Lakhs)

F.Y. 2022-23			
Sr No.	Name	Amount	% to Total*
1.	National Informatics Centre Services INC	1480.68	15.64%
2.	Accelaron Labs Pvt Ltd.	723.55	7.64%
3.	National Informatics Centre	596.68	6.30%
4.	ANG India Ltd.	595.67	6.29%
5.	SMS India Private Ltd.	517.67	5.47%
6.	Oil & Natural Gas Corporation Ltd.	271.47	2.87%
7.	PRO X Infotech Pvt. Ltd.	252.45	2.67%
8.	ONGC Videsh Ltd.	222.43	2.35%
9.	Engineers India Ltd.	220.44	2.33%
10.	RV Forms & Gears	203.70	2.15%
	<b>Total</b>	<b>5084.74</b>	<b>53.72%</b>

(Amount in Lakhs)

F.Y. 2021-22			
Sr No.	Name	Amount	% to Total*
1.	DA Tech Systems LLP	677.56	9.88%

2.	ANG India Ltd.	675.73	9.86%
3.	National Informatics Centre	480.75	7.01%
4.	National Informatics Centre Services INC	387.12	5.65%
5.	Dhani Loans & Services Ltd.	379.65	5.54%
6.	Indian Oil Corporation Ltd.	216.86	3.16%
7.	Shree Guru Gobind Singh Tricentary University	190.29	2.78%
8.	Engineers India Ltd.	158.06	2.31%
9.	PRO X Infotech Pvt. Ltd.	158.02	2.30%
10	Merino Consulting Services Ltd.	151.01	2.20%
	<b>Total</b>	<b>3475.05</b>	<b>50.68%</b>

For instance, the revenue generated by National Informatics Centre Services INC experienced a substantial growth, rising from Rs. 387.12 Lakh in the fiscal year 2021-2022 to Rs. 1,480.68 Lakh in the fiscal year 2022-2023. This remarkable increase of Rs. 1,093.56 Lakh underscores the demand for our products among our valued customers.

In addition to specializing in server solutions, the company distinguishes itself by offering comprehensive consultancy services and annual maintenance service facilities to its clients. This integrated approach occasionally involves providing both services simultaneously, ensuring a seamless and efficient experience for the clients. Therefore, it is to be noted that the upsurge in goods sales directly corresponds to a parallel increase in service revenue. The details of the revenue generated of IT hardware and services for the F.Y 22 and F.Y 23 are mentioned below:

Particulars	31st March 2023		31st March 2022	
	Revenue from Goods	Revenue from Services	Revenue from Goods	Revenue from Services
<b>Esconet Technologies Limited</b>	89,12,69,709	5,53,26,052	65,21,89,919	3,34,38,580
<b>Zeacloud Services Private Limited</b>	--	1,93,30,035	--	--

## Expenditure

Total Expenditure increased by Rs. 2,252.74 Lakhs and 33.13%, from Rs. 6,799.20 Lakhs in the fiscal year ended March 31, 2022 to Rs. 9,051.94 Lakhs in the fiscal year ended March 31, 2023. Overall expenditure was increased mainly due to increase in Employee Benefit Expenses, Finance cost, Depreciation and Amortization expenses and other expenses.

## Purchase of Stock in Trade

Purchase of Stock in Trade increased by Rs. 1,960.86 Lakh and 34.71% from Rs. 5,649.44 Lakh in the fiscal year ended March 31, 2022 to ₹ 7,610.30 Lakh in the fiscal year ended March 31, 2023. Purchase of stock in trade was increased due to increase in number of orders from the clients.

## Changes in inventory of finished goods, work-in -progress, stock-in trade

Changes in inventory of finished goods increased by Rs. (272.17) Lakh and (37801.39) % from Rs. 0.72 Lakh in the fiscal year ended March 31, 2022 to Rs. (271.45) Lakh in the fiscal year ended March 31, 2023. Changes in inventory of finished goods, work-in -progress, stock-in trade was decreased mainly due to increase in closing stock of inventories.

## Employee Benefit Expenses

Employee Benefit Expenses increased by Rs. 57.13 Lakhs and 12.60%, from Rs. 453.30 Lakhs in the fiscal year ended March 31, 2022 to Rs. 510.43 Lakhs in the fiscal year ended March 31, 2023. Overall employee cost was increased due to increase in general increment in salary & wages, contribution to provident fund and staff welfare expenses.

## Finance Costs

Finance Costs increased by Rs. 38.12 Lakhs and 49.37% from Rs. 77.21 Lakhs in the fiscal year ended March 31, 2022 to Rs. 115.33 Lakhs in the fiscal year ended March 31, 2023. The increase was mainly because of increase in interest expenses.

## Depreciation and Amortisation Expense

Depreciation and Amortisation Expense increased by Rs. 11.46 Lakhs and 17.64% from Rs. 64.98 Lakhs in the fiscal year ended March 31, 2022 to Rs. 76.44 Lakhs in the fiscal year ended March 31, 2023.

#### **Other Expenses**

Other Expenses increased by Rs. 457.34 Lakhs and 82.62% from Rs. 553.55 Lakhs in the fiscal year ended March 31, 2022 to Rs. 1,010.89 Lakhs in the fiscal year ended March 31, 2023. Other Expenses was increased due to Payment to Auditors, Commission Expenses, Service charges, Membership Fees, Advertisement Expenses, Maintenance, Professional fees, Telephone and Internet charges, Insurance Expenses and others.

#### **Profit before Interest, Depreciation and Tax**

Profit / Loss before Interest, Depreciation and Tax has increased by Rs. 435.01 Lakhs and 214.97% from Rs. 202.36 Lakhs in the fiscal year ended March 31, 2022 to Rs. 637.37 Lakhs in the fiscal year ended March 31, 2023. Profit before exceptional & extraordinary items and Tax was increased due to increase in revenue from operations.

#### **Net Profit after Tax and Extraordinary items**

The reason for increase in Net Profit from Rs. 72.36 Lakhs in the fiscal year ended March 31, 2022 to profit of Rs. 304.02 Lakhs in the fiscal year ended March 31, 2023 is twofold. First, the Net profit was increased due to increase in revenue from operations from Rs. 6,859.37 Lakh in the fiscal year ended March 31, 2022 to Rs. 9,497.54 Lakh in the fiscal year ended March 31, 2023. Second, due to overall process efficiency, the expenses are not increased in same proportion with the increase in the revenue which increases the overall PAT.

### **FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021**

#### **Income**

Total revenue has increased by Rs. 2,439.03 Lakhs and 55.18% from Rs. 4,420.34 Lakhs in the fiscal year ended March 31, 2021 to Rs. 6,859.37 Lakhs in the fiscal year ended March 31, 2022. The increase in revenue is on account of increase in sales of services.

The major and primary reason for increase in revenue in FY22 is COVID only. During 2021 when COVID was at its peak, there was an overall slowdown in the business of our company due to which most of orders left unfulfilled in FY21.

#### **Expenditure**

Total Expenditure increased by Rs. 2,274.02 Lakhs and 50.25% from Rs. 4,525.18 Lakhs in the fiscal year ended March 31, 2021 to Rs. 6,799.20 Lakhs in the fiscal year ended March 31, 2022. Overall expenditure was increased mainly due to increase in purchase of stock in trade and other expenses.

#### **Employee Benefit Expenses**

Employee Benefit Expenses increased by Rs. 40.35 Lakhs and 9.77% from Rs. 412.95 Lakhs in the fiscal year ended March 31, 2021 to Rs. 453.30 Lakhs in the fiscal year ended March 31, 2022. Overall employee cost was increased due to increase in general increment in salary & wages to employees, gratuity expense, bonus and staff welfare expenses.

#### **Finance Costs**

Finance Costs was increased by Rs. 4.86 Lakhs and 6.72% from Rs. 72.35 Lakhs in the fiscal year ended March 31, 2021 to Rs. 77.21 Lakhs in the fiscal year ended March 31, 2022. Finance Costs was increased mainly due to higher interest outgo on increased borrowings.

#### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by Rs. 21.01 Lakhs and 47.78% from Rs. 43.97 Lakhs in the fiscal year ended March 31, 2021 to Rs. 64.98 Lakhs in the fiscal year ended March 31, 2022 due to increase in asset base of the company.

### **Other Expense**

Other Expenses increased by Rs. 216.08 Lakhs and 64.03% from Rs. 337.47 Lakhs in the fiscal year ended March 31, 2021 to Rs. 553.55 Lakhs in the fiscal year ended March 31, 2022. Other Expenses was increased due to Payment to Auditors, Commission Expenses, Service charges, Membership Fees, Advertisement Expenses, Maintenance, Professional fees, Telephone and Internet charges, Insurance Expenses and others.

### **Profit before Interest, Depreciation and Tax**

Profit / Loss before Interest, Depreciation and Tax has increased by Rs. 190.88 Lakhs and 1,662.72% from Rs. 11.48 Lakhs in the fiscal year ended March 31, 2021 to Profit of Rs. 202.36 Lakhs in the fiscal year ended March 31, 2022. Profit before Interest, Depreciation and Tax was increased due to increase in revenue from operations.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 172.84 Lakhs and 172.01% from Rs. (100.48) Lakhs in the fiscal year ended March 31, 2021 to profit of Rs. 72.36 Lakhs in the fiscal year ended March 31, 2022. Net profit was increased due to increase in revenue from operations from Rs. 4,411.89 Lakh in the fiscal year ended March 31, 2021 to Rs. 6,856.29 Lakh in the fiscal year ended March 31, 2023.

## **INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled "Risk Factors" beginning on page 27 of this Red Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **3. Income and Sales on account of major product/main activities.**

Income and sales of our Company on account of major services derives from sale of products and sale of services.

### **4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

### **5. Future changes in relationship between costs and revenues, in case of events such as future increase in employees or material costs or prices that will cause a material change are known**

Our Company's future costs and revenues can be impacted by an increase in employee costs as the Company looks to hire talent with new skills and capabilities for the advertising industry who may be in short supply.

### **6. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian Government Policies, foreign exchange rates and interest rates quoted by banks & others.

### **7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in our revenues are by and large linked to increases in the volume of business.

**8. Total turnover of each major industry segment in which the issuer company operates**

The Company is operating in IT server industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 95 of this Prospectus.

**9. Status of any publicly announced new products or business segments**

Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Prospectus.

**10. The extent to which the business is seasonal**

Our Company’s business is not seasonal. However, the business of the Company does depend on country’s economy situation and inflation.

**11. Any significant dependence on a single or few suppliers or customers**

Our Company was significantly dependent on top 5 customers. For further details refer Risk Factor No. 3 under the chapter titled “*Risk factor*” and “*Our Business*” on page 28 and 142 of Prospectus respectively.

**12. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 137 of this Prospectus.

The Company is operating in IT server Industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 95 of this Prospectus.



## FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount subject to members approval from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on September 30, 2023, our Company has outstanding amount of secured and unsecured borrowings from banks and financial institutions, bodies corporates and others, for further details refer chapter titled "Restated Financial Information" beginning on page no. 233 of this Prospectus.

Brief summary of financial indebtedness of our company as at September 30, 2023:

(Amount in Lakhs)

Nature of Borrowing	Amount
Secured Borrowings	178.865
Unsecured Borrowings	830.02

### Details of Secured Borrowings

#### 1. Secured Term Loans

Name of Lender	Nature of the Facility	Amount Sanctioned	Amount Outstanding as on September 30, 2023	Conditions
ICICI Bank Limited	Vehicle Loan	43.12	24.09	Term: 36 to 60 Months (Long Term) Interest Rate :8.25% to 10.25 % Per Annum Interest Type: Floating Security: Secured against Hypothecation of respective Vehicle. Personal Guarantors: Directors
BMW India Financial Services Private Limited	Vehicle Loan	50.00	49.25	
Federal Bank Limited	Vehicle Loan	29.00	19.73	
ICICI Bank Limited	ECLGS (Loan)	79.30	19.825	Interest Rate: 9% Per Annum Interest Type: Floating Term of Loan: 48 Months Security: Book Debts, Stocks in Trade Personal Guarantors: Directors
ICICI Bank Limited	Cash Credit Limit	1250.00	65.97	Term: On Demand Interest Rate: (Repo Rate + 2.5) % Per Annum Interest Type: Floating Security: Book Debts, Stocks in Trade Personal Guarantors: Directors and Promoter

### Details of Unsecured Borrowings

(Rs. In Lakhs)

Name of Lender	Nature of the Facility	Amount Sanctioned	Amount Outstanding as on September 30, 2023	Conditions Term: Payable in: Rate of Interest:
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				<b>Interest Type:</b> <b>Primary and Collateral Security:</b> <b>Personal Guarantors:</b> <b>Corporate Guarantors:</b>
Santosh Kumar Agrawal	Unsecured Loan	--	137.06	Term: repayable on Demand Interest: 8% Interest Type: Fixed Security: Unsecured
Sunil Kumar Agrawal	Unsecured Loan	--	21.38	Term: repayable on Demand Interest: 8% Interest Type: Fixed Security: Unsecured
Bear Bulls Distributor Private Limited	Unsecured Loan	--	225	Term: repayable on Demand Interest: 15% Interest Type: Fixed Security: Unsecured
Siemens Factoring Private Limited	Invoice Discounting	245.44	245.44	Term-12 Months Interest rate 12.75% Interest Type: Floating Security: Unsecured Personal Guarantors: Directors
Unity Small Finance Bank	Invoice Discounting	201.183	201.183	Term -12 Months Interest:12% Interest Type: Floating Security: Unsecured Personal Guarantors: Directors
Hero FinCorp Limited	Invoice Discounting	200	--	Term -12 Months Interest:12% Interest Type: Floating Security: Unsecured Personal Guarantors: Directors

## SECTION X - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, 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 and 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 irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.*

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- f) material frauds committed against our Company in the last five years.
- g) 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/director in their personal capacities and also involving violation of statutory regulation or criminal offences.
- i) Pending proceeding initiated for economic offences against the director, Promoter, companies and firms promoted by the promoters.
- 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.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or
- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and
- c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which ~~will~~ materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings where in the monetary amount involved is not quantifiable, such litigation has been considered material only in the event the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Prospectus.

**I. Litigations Involving Our Company**

**A. Against Our Company:**

Civil Cases: NIL  
Criminal Cases: NIL  
Tax Proceeding: NIL  
Statutory/Regulatory Proceeding: NIL

**B. By Our Company:**

Civil Cases: NIL  
Criminal Cases: 3

Case No.	Court	Case type	Section & Claim Involved	Petitioner	Respondent	Facts of the Case	Status of the Litigation
CT 750/2019	Chief Metropolitan Magistrate, South- East, Saket	Complaint Case	Section 138 N.I. Act Amount involved is Rs. 13,96,150/-	M/S Esconet Technologies Pvt Ltd	M/S Unbox Data Centers Pvt Ltd	In this matter, the admission/denial of documents under Section 294 Cr. P.C. was completed where the Respondents, M/s Unbox Data Centers Pvt Ltd and ors, states that the cheque pertains to his bank account for which he does not entered into any dispute of the dishonored memo. Hence, two witnesses cited in list of witnesses by complainant at serial no.2 and 3 stands dropped from said list. On perusal of the defence taken by the accused u/s 251 Cr.PC, the court is of the opinion that an opportunity should be given to the Respondents, M/s Unbox Data Centers Pvt Ltd and ors to cross examine the complainant witnesses. Mr. Sunil Kumar Agrawal, one of the member of	The Next date of hearing is fixed for 4 <sup>th</sup> May, 2024 in this matter for the purpose of presenting Complainant Evidence.

Case No.	Court	Case type	Section & Claim Involved	Petitioner	Respondent	Facts of the Case	Status of the Litigation
						the board of directors of the Petitioner Company initiated legal proceedings for recovery of amounts under Section 138 of the Negotiable Instruments Act, 1881 against the Respondent Company.	
CT 747/2019	Chief Metropolitan Magistrate, South-East, Saket	Complaint Case	Section 138 read with Section 141 of N.I. Act Rs. 3,96,150/-	M/S Esconet Technologies Pvt Ltd	M/S Unbox Data Centers Pvt Ltd	Mr. Sunil Kumar Agrawal, one of the member of the board of directors of the Petitioner Company authorized to initiate legal proceedings for recovery of amounts under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881, against unbox Data Centers Private Limited (accused), which was amended by inserting the provisions of Section 143A where the accused is asked to pay 20% of the cheque amount as interim compensation to the Complainant.	The Next date of hearing is 4 <sup>th</sup> May, 2024 in this matter for the purpose of presenting Complainant Evidence
CC 748/2019	Chief Metropolitan Magistrate, South-East, Saket	Complaint Case	Section 138 N.I. Act, 13,96,150/-	M/S Esconet Technologies Pvt Ltd	M/S Unbox Data Centers Pvt Ltd	Mr. Sunil Kumar Agrawal, one of the members of the board of directors of the Petitioner Company authorized to initiate legal proceedings under section 138 of the Negotiable Instruments Act, 1881, where the copy of reply to the application U/S 143A of NI act supplied by the counsel for accused to the proxy counsel for Complainant.	The Next date of hearing is 4 <sup>th</sup> May, 2024 in this matter for the purpose of Complainant Evidence.

Tax Proceeding: NIL  
Statutory/Regulatory Proceeding: NIL  
Other Pending Litigation:1

Case No.	Court	Case type	Cause of Action & Claim Involved	Claimant	Respondent	Facts of the Case
Arbitration Petition No. 6467 of 2023*	Delhi International Arbitration Centre (DIAC)	Arbitration Petition	Statement of Claim Rs. 42,59,488/-	M/s Esconet Technologies Pvt. Ltd.	M/s Unbox Data Centers Pvt. Ltd.	<p>A petition with Arbitration is filed by the Claimant (M/s Esconet Technologies Pvt. Ltd.) against the Respondent (M/s Unbox Data Centers Private Limited) with respect to the payment against Purchase Order/ Contract entered into between the concerned parties.</p> <p>Total Amount Claimed upto the date of reference:</p> <p>Principal Amount: Rs. 13,96,150/-  Interest Amount: Rs. 28,63,338/-  Total Claim: Rs. 42,59,488/-</p>

*Note-The next date of the matter yet not decided and the payment of Arbitrator fees is pending.*

## **II. Litigations Involving Our Promoters/Directors**

### **A. Against our Promoters/Director**

Civil Cases: NIL  
Criminal Cases: NIL  
Tax Proceeding: NIL  
Statutory/Regulatory Proceeding: NIL  
Disciplinary action by SEBI or Stock Exchange against our Promoter: NIL

### **B. By our Promoters/Director**

Civil Cases: NIL

Criminal Cases: NIL

Tax Proceeding: NIL

Statutory/Regulatory Proceeding: NIL

Other Pending Litigation:1

Case No.	Court	Case type	Cause of Action & Claim Involved	Claimant	Respondent	Facts of the Case	Status of the Litigation
MSEFC Case No. DL/03/S/SEC/00512	Micro and Small Enterprises Facilitation Council (South-East)	Under Section 18 of MSMED Act, 2006	Statement of Claim Rs. 13,96,150/- Along with Interest of Rs. 18,25,749.20/-	Mr. Santosh Kumar Agrawal	M/s Unbox Data Centers Pvt. Ltd.	<p>An application filed with MSME Facilitation Council by the Claimant (M/s Esconet Technologies Pvt. Ltd.) against the Respondent (M/s Unbox Data Centers Private Limited) under Section 18 of MSMED Act, 2006, with respect to the recovery of amount of Rs. 32,21,899/- for the purchase of Goods and Services/ contracts entered between the respective parties.</p> <p>The respondent is liable to clear the dues within 30 days from 12.09.2017 but repeatedly failed to keep promises to pay the outstanding amount.</p> <p>The Petitioner prays to the Hon'ble Council to recover the amount, pass the order in favour of Petitioner and also award incidental expenses in favour of the Petitioner.</p>	Last Date of hearing in this matter was 07/07/2022 and Next Date of Hearing- Not Disclosed.

### **III. Litigations Involving Our Group entities**

#### **A. Against Our Group Entities**

Civil Cases: NIL

Criminal Cases: NIL

Tax Proceeding: NIL

Statutory/Regulatory Proceeding: NIL

**B. By our Group Entities:**

Civil Cases: NIL

Criminal Cases: NIL

Tax Proceeding: NIL

Statutory/Regulatory Proceeding: NIL

**IV. Litigations relating to the Subsidiary Company**

**A. Against Directors of our Subsidiary Company**

Civil Cases: NIL

Criminal Cases: NIL

Tax Proceeding: NIL

Statutory/Regulatory Proceeding: NIL

**B. BY Directors of our Subsidiary Company**

Civil Cases: NIL

Criminal Cases: NIL

Tax Proceeding: NIL

Statutory/Regulatory Proceeding: NIL

**V. Other Disclosures**

This pertains to pending litigation against the Company i.e., Fluidech IT Services Private Limited having registered office at 237B, Second Floor, JMD Megapolis Sohna Road, Sector-48, Gurgaon-122018, Haryana. Mr. Gaurav Gupta, Non-Executive Independent Director appointed on the Board of Directors of the Issuer Company is also acting in the capacity of Director and holding 99% of significant beneficial ownership in this Company.

**Tax Proceeding initiated against Fluidech IT Services Private Limited:**

Sr. No.	Particulars	DIN & Notice No.	Assessment Year	Facts
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1.	Notice of demand under Section 156 of the Income Tax Act, 1961	ITBA/AST/S/156/202223/1048249721(1)	2021-22	A sum of Rs. <b>2,35,15,810</b> has been determined by the Income Tax Department to be payable by the company to the Manager, authorized bank/State Bank of India within 30 days of the service of this notice. If the above specified amount not paid within the specified time period, then proceedings for the recovery thereof will be taken in accordance with sections 222 to 227, 229 and 232 of the Income-tax Act, 1961
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#### VI. Other litigations involving any other entities which may have a material adverse effect on the Company

Except as stated above and a case detail given below, apparently there seems to be no other cases which may have material adverse effect on our company:

#### VII. Details of the past penalties imposed on our Company / Directors

As of the date of the report, there are no cases in the last five years in which penalties have been imposed on the Company or the Directors of the company - NIL as per information provided by management.

#### VIII. Outstanding dues to Creditors

As per the materiality policy of the Company for disclosing outstanding amounts to creditors. Based on the same, as on September 30, 2023, our Company had outstanding dues to creditors as follows:

(Amount in Lakhs)				
Particulars	September 30,2023	March 31,2023	March 31,2022	March 31,2021
<b>Trade Payables</b>				
Micro, Small and Medium Enterprises*	-	-	-	-
Others*	2,200.77	1,004.63	1,455.22	875.67
<b>Total</b>	<b>2,200.77</b>	<b>1,004.63</b>	<b>1,455.22</b>	<b>875.67</b>

\* The details pertaining to outstanding dues to the material creditors, along with names and amounts involved for each such material creditors are available on the website of our Company at [www.esc.co.in](http://www.esc.co.in)

#### IX. Material developments occurring after last balance sheet date, that is September 30, 2023.

Except as disclosed in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” of our Company beginning on page number 263 there have been no material developments that have occurred after the last Balance sheet date.

**We certify that except as stated herein above:**

1. 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 by SEBI.

2. 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.
3. Further, none of the Directors of the Company has been charge sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
4. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, Financial Institutions by the Company, Promoter, group entities, companies promoted by the Promoter during the past three years.
5. 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.
6. There is no pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
7. There are no pending proceedings initiated for economic offenses against the Directors Promoter, Companies, and firms promoted by the Promoter.
8. 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.
9. There are no litigations against the Promoter / Directors in their capacity.
10. 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.

## GOVERNMENT AND OTHER APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Industry Regulation and Policies” beginning on page 151 of the Prospectus.*

### **CORPORATE APPROVALS FOR THIS ISSUE**

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on November 17, 2023 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62(1)(c) of the Companies Act 2013.
2. The Issue of Equity share has been authorized by a special resolution adopted pursuant to section 62(1)(c) of the Companies Act 2013, at an Extra ordinary General Meeting held on November 20, 2023
3. Board of Directors has, pursuant to a resolution dated December 28, 2023 and February 10, 2024 authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Red Herring Prospectus respectively with NSE Emerge.

### **IN- PRINCIPAL APPROVAL**

The Company has obtained approval from NSE vide its letter dated February 09, 2024 to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.

### **AGREEMENTS WITH NSDL AND CDSL**

1. The Company has entered into an agreement dated October 30, 2023 with the Central Depository Services (India) Limited (CDSL), and the Registrar and Share Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated October 30, 2023 with the National Securities Depository Limited (NSDL), and the Registrar and Share Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
3. The Company's International Securities Identification Number (ISIN) is INE0RQZ01017.

### **REGISTRATION UNDER THE COMPANIES ACT, 1956/2013**

S.N.	Authorisation granted	Issuing Authority	CIN/Registration No.	Date of Issue	Valid upto
1.	Certificate of Incorporation in the name of — “Esconet Technologies Private Limited”	ROC	U51909DL2012PTC233739	March 30, 2012	Perpetual
2.	Certificate of Registration of the Special Resolution confirming Alteration of Object clause (s) in MOA	ROC	U62099DL2012PTC233739	August 18, 2023	Perpetual

3.	Fresh Certificate of Incorporation for conversion from Private to Public company in the name of “Esconet Technologies Limited”	ROC	U62099DL2012PLC233739	September 21, 2023	Perpetual
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#### **REGISTRATION PERTAINING TO INCOME TAX AND GOODS AND SERVICES TAX:**

S.No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)*	Income Tax Department, GoI	AACCE9997K	October 07, 2023	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	DELE06312F	October 20, 2023	Perpetual
<b><i>GST Certificates</i></b>					
3.	GST Registration Certificate (Delhi)#	Central Board of Indirect Taxes	07AACCE9997K1ZT	November 8, 2023	Perpetual

*Note: \*All the Approvals/Licenses/Registration/Certification are in name of Esconet Technologies Private Limited.*

*# GST Certificate modified in the name of Esconet Technologies Limited dated, 8<sup>th</sup> Nov,2023.*

#### **REGISTRATIONS AND APPROVALS UNDER STATUTORY AND REGULATORY ACT(S):**

Our Company has received the following significant government and other approvals pertaining to our business:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Sub Regional Office, Regional Provident Fund Commissioner*	DSNHP0940448000	Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Registration under EPFO	Valid, till cancelled
2.	Sub-Regional Office, Employee State Insurance Corporation*	20001365290000999	Employees' State Insurance Act, 1948	Registration under ESI	Valid, till cancelled
3.	Directorate General of Foreign Trade, Ministry of Commerce#	IEC No. 0512059900	The Foreign trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade, Ministry of Commerce	Valid, till cancelled
4.	Ministry of Micro, Small & Medium Enterprises*	UDYAM-DL-08-0029660	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small & Medium Enterprises Registration	Valid, till cancelled
5.	Municipal Corporation of Delhi, Factory License	SFL1202103716	The Delhi Municipal Corporation Act, 1957	Municipal Corporation of Delhi, Factory License Renewal Certificate	31.03.2025

	Department*				
6.	Central Pollution Control Board (Ministry of Environment, Forest and Climate Change, Govt. of India) *	IM-11-000-05 AACCE9997K-23	Under Rule-13(2) of the Plastic Waste Management Rules, 2016	CPCB Registration Certificate for Importer	17.02.2024
7.	Central Pollution Control Board (Ministry of Environment, Forest and Climate Change, Govt. of India) *	B-29016(3058)/(EPR)/23/WM-III	Under rule 4 and 6 of E-Waste (Management) Rules 2022	Registration for Electrical & Electronic Equipment under E-Waste (Management) Rules, 2022	31.07.2028
8.	Department of Labour, Government of National Capital Territory of Delhi	2023142178	Delhi Shops & Establishment Act, 1954	Registration under Shop and Establishment Act	29.09.2028
9.	Department of Promotion of Industry and Internal Trade**	DPIIT35999	Department of Promotion of Industry and Internal Trade	Startup Certificate by Inter Ministerial Board	30.03.2022 (Expired)

Note: \*All the Approvals/Licenses/Registration/Certification are in name of Esconet Technologies Private Limited.

\*\*The abovementioned Startup Certificate by Inter Ministerial Board get for 10 years only and non-renewal certificate

# IEC Certificate issued on 9<sup>th</sup> Nov, 2012 in the name of Esconet Technologies Private Limited, and on 9<sup>th</sup> Nov, 2023 the certificate modified in the name of Esconet Technologies Limited.

### **QUALITY CERTIFICATIONS:**

Sr. No.	Description	Registration/ Certificate No.	Nature of Registration	Issuing Authority	Validity
1.	ISO 9001:2015*	IQ-23080801	Recognition of the Organization's Quality Management System	Indraprastha System Certificate	07.08.2024
2.	ISO/IEC 27001:2022*	II-23080801	Recognition of the Organization's Information Security Management Systems	Indraprastha System Certificate	07.08.2024
3.	ISO/IEC 20000-1:2018*	IT-23080801	Recognition of the Organization's	Indraprastha System Certificate	07.08.2024

			Information Technology Service Management		
4.	ISO 14001:2015*	305023051857E	Recognition of the Organization's Environmental Management System	Quality Research Organization Certificate	07.05.2026
5.	Legal Entities Identifier Certificate	98450041B3B5BDD96A07	LEI Certificate	Legal Entity Identifier India Ltd.	25.01.2024

Note: \*All the Approvals/Licenses/Registration/Certification are in name of Esconet Technologies Private Limited

**\*\*\*RATING CERTIFICATION:**

Sr. No.	Rating Agency	D-U-N-S Number	Rating	Status of Rating Entity
1.	Dun & Bradstreet ("D&B") *	87-168-4942	C3	Fair

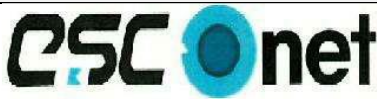


Note: \*All the Approvals/Licenses/Registration/Certification are in name of Esconet Technologies Private Limited.

**ISIN ACTIVATION- NATIONAL SECURITIES DEPOSITORY (INDIA) LIMITED AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED:**

Activation Date	ISIN	Name of The Issuer	Face Value (Rs.)	Total Issue Size	RTA Name
30-Oct-2023	INE0RQZ01017	Esconet Technologies Limited	10	77,78,230	Skyline Financial Services Private Limited

**INTELLECTUAL PROPERTY RELATED APPROVAL/ REGISTRATION(S):**

Our Company has the following registered trademarks/ Copyrights

Sr No.	Original Trademark Name	Registration No.	Application No.	Class	Current Status
1		3914942	-	9	Registered
2.		4902503	-	9	Registered
3.		3915037	-	9	Registered

Sr No.	Original Trademark Name	Registration No.	Application No.	Class	Current Status
4.	ZEACLOUD	4638215	-	42	Registered
5.	AVAILABLOUS	4638214	-	42	Registered

The Details of Domain Names Registered in the Name of the Company:

Sr. No.	Domain Name	Registrant Name and Registrant Organization	Registration Expiry Date
1.	www.esc.co.in	Go daddy	08/04/2025
2.	AVAILABLOUS.COM	Go daddy	10/05/2024
3.	INTELSYSTEMBUILDER.COM	Go daddy	10/05/2024

#### **MISCELLANEOUS CERTIFICATION:**

Sr. No.	Name of Certificate Issuing Company	Certificate No.	Certificate Name	Date of Issue	Date of Expiry
1.	UK Certification & Inspection Limited*	CE-2194	Certificate of Compliance Under requirement of Machinery Directives	22.02.2022	21.02.2025
2.	UK Certification & Inspection Limited*	UQ-2022022283	Certificate of Compliance Under ROHS Directives	22.02.2022	21.02.2025
3.	UK Certification & Inspection Limited*	UQ-2022022250	Certificate of Compliance Under FCC PART 15A & 15B	22.02.2022	21.02.2025

Note: \*All the Approvals/Licenses/Registration/Certification are in name of Esconet Technologies Private Limited

#### **APPROVALS APPLIED BUT NOT YET RECEIVED:**

Sr. No	Authority	Diary No.	Applicable Law	Date of Application
1	Chief Fire Officer, Department of Delhi Fire Services Head Quarters	1247	Delhi Fire Service Act, 2007	22/11/2023

#### **APPROVAL AND LICENSES OF OUR SUBSIDIARY- ZEACLOUD SERVICES PRIVATE LIMITED**

Except as disclosed below, there are no other approvals taken by our wholly owned subsidiaries.

**REGISTRATION UNDER THE COMPANIES ACT, 1956 /2013:**

S. No	Authorization granted	Issuing Authority	Registration No. / Reference No. /License No.	Date of Issue	Valid Upto
1.	Certificate of Incorporation in the name of — “Zeacloud Services Private Limited”	ROC	U72900UP2022PTC163967	11/05/2022	Perpetual

**REGISTRATION UNDER VARIOUS ACTS/RULES RELATING TO INCOME TAX, GOODS AND SERVICES TAX:****TAX RELATED AUTHORISATIONS**

S. No	Authorization granted	Issuing Authority	Registration No. / Reference No. /License No.	Date of Issue	Valid Upto
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AABCZ9614P	11/05/2022	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	MRTZ00845F	11/05/2022	Perpetual
3.	GST Registration Certificate (Uttar Pradesh)	Central Board of Indirect Taxes	09AABCZ9614P1ZH	20/07/2023	Perpetual

**REGISTRATION AND APPROVALS UNDER STATUTORY AND REGULATORY ACT(S):**

Sr. No.	Authority Granting Approval	Approval Registration No. /	Applicable Laws	Nature of Approvals	Validity
1.	Department of Promotion of Industry and Internal Trade	DIPP108352	Department of Promotion of Industry and Internal Trade	Startup Certificate by Inter Ministerial Board	10.05.2032

**INTELLECTUAL PROPERTY RELATED APPROVAL / REGISTRATION(S): Nil****DOMAIN NAME**

Details of domain name registered in the name of company are as follows:

Sr. No.	Domain Name	Registrant Name and Registrant Organization	Registration Expiry Date
1.	ZEACLOUD.COM	Go daddy	10/05/2024

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

Nil

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.



## SECTION XI - OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on November 17, 2023.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013, at its EGM held on November 20, 2023 and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from NSE vide its letter dated **February 09, 2024** to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.
4. Our Board has approved the Draft Red Herring Prospectus through its resolution dated December 28, 2023.
5. Our Board has approved this Red Herring Prospectus through this resolution dated February 10, 2024.

We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “Government and Other Approvals” beginning on Page no 283 of this Prospectus.

### Confirmation:

- Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, our Promoters and Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

- The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Prohibition by RBI or Governmental authority
- Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.
- Our directors have not been declared as willful defaulter by RBI or any other government authority and there has been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.
- Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations
- None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

### ELIGIBILITY FOR THIS ISSUE

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
- Neither our promoters, nor any directors of our company are a promoter or director of any other company which is debarred from accessing the capital market by the Board
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender. Neither our Company, nor our Promoters or our directors, is a Willful Defaulter or a fraudulent borrower.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital will be more than ₹ 1,000 Lakh, and can issue Equity Shares to the public and propose to list the same on the **Emerge Platform of NSE Limited**.

**We confirm that:**

- In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the Book Running Lead Manager to the Offer will underwrite at least 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to “General Information – Underwriting” on page 56 of this Prospectus.
- In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case
- In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the Book Running Lead Manager shall ensure that the Issuer shall file a copy of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Draft Red Herring Prospectus/Prospectus with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Book Running Lead Manager and the Emerge Platform of NSE.

Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus shall also be furnished to the SEBI in a soft copy.

- In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the Lead Manager will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled —General Information – Details of the Market Making Arrangements for this Issue on page 58 of this Prospectus.

In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, Application is being made to NSE Limited and NSE Limited is the Designated Stock Exchange.

In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued. For more details, please refer page 283 of this Prospectus.

In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.

In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of NSE, which are as under:**

#### **NSE ELIGIBILITY NORMS:**

##### **1. The Company has been incorporated under the Companies Act, 1956/ 2013 in India**

Our Company was incorporated on March 30, 2012 under the Companies Act, 1956.

##### **2. The post issue paid up capital of the Company (face value) will not be more than ₹ 2,500.00 Lakh.**

Particulars	Present Issued Capital	Proposed IPO (Fresh Equity Shares)	Post IPO Issued Capital (assumed)
<b>No. of Equity Shares</b>	90,00,000	33,60,000	1,23,60,000
<b>Face Value (In Rs.)</b>	₹ 10/- each	₹ 10/- each	₹ 10/- each
<b>Paid-up Value (In Rs.)</b>	₹ 9,00,00,000	₹ 3,36,00,000	₹ 12,36,00,000

Hence, our Post Issue Paid up Share Capital will be ₹ 12.36 crores which is less than 25 crores.

##### **3. Positive Net worth**

Net worth of the Company as on September 30, 2023 is ₹ 893.28 Lakhs.

##### **4. Track record**

###### **A. The company should have a (combined) track record of at least 3 years.**

- the applicant seeking listing; or
  - the promoters\*\*\*\*/promoting company, incorporated in or outside India or
  - Proprietary / Partnership firm and subsequently converted into a Company (not in existence as a Company for three years) and approaches the Exchange for listing.
- \*\*\*\*Promoters mean one or more persons with minimum 3 years of experience in the same line of business, shall be holding at least 20% of the post issue equity share capital individually or severally

Our Company got incorporated on March 30, 2012, therefore our company satisfies the track record criteria of 3 years.

###### **B. The Company has combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth is positive.**

(Rs. In Lakh)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Operating profit (earnings before interest, depreciation and tax)	637.37	202.36	11.48

###### **C. Net Worth of the company in last three years**

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Share Capital	76.71	76.71	76.71
Add: Reserves and Surplus	477.76	173.74	101.38
Net Worth	554.47	250.45	178.09

Net worth includes Share Capital and Reserves (excluding revaluation reserves), Miscellaneous Expenditure not written-off, if any & Debit Balances of Profit and Loss Account not written-off, if any).

## 5. Other Requirements

- It is mandatory for the company to have a website

The Company has a website – <https://www.esc.co.in/>

- It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

Tripartite agreement dated October 30, 2023 with NSDL, our Company and Registrar to the Issue; tripartite agreement dated October 30, 2023 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0RQZ01017.

- There should not be any change in the Promoters of the company in preceding one year from date of filing the application to NSE for listing under SME segment.
- None of our Promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.
- Further, except as mentioned in this Section titled "Outstanding Litigation and Material Developments" on page 275 there has been no violation of any Securities Law committed by any of them in the past and no such proceedings are currently pending against any of them.

## 6. Disclosure

- The Company has not been referred to Board for Industrial and Financial Reconstruction.
- No petition for winding up is admitted by the court or a liquidator has not been appointed of competent jurisdiction against the Company.
- No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

None of our Company, Promoters or Directors have been declared as a fraudulent borrower by any bank, financial

institution or lending consortium, in accordance with the 'Master Directions on Fraud- Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

**We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.**

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, CORPORATE CAPITALVENTURES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, CORPORATE CAPITALVENTURES PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, CORPORATE CAPITALVENTURES PRIVATE LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 20, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**THE DUE DILIGENCE CERTIFICATE TO BE SUBMITTED AS PER FORM A OF SCHEDULE V INCLUDING ADDITIONAL CONFIRMATION AS PROVIDED IN FORM G OF SCHEDULE V IS PRODUCED AS UNDER:**

**WE, THE LEAD MERCHANT BANKER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE RED HERRING PROSPECTUS FILED WITH THE EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

- B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- C. THE MATERIAL DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. **COMPLIED WITH**
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD/EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS. **COMPLIED WITH**
6. WE CERTIFY THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS CONTRIBUTION PRIOR TO OPENING OF THE ISSUE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD/EXCHANGE. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – **NOT APPLICABLE**
8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – **NOTED FOR COMPLIANCE**
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND

THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

10. WE CERTIFY THAT ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996, AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS: A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.
14. WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION ENTERED INTO FOR THE PERIOD DISCLOSED IN THE PROSPECTUS HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

**ADDITIONAL CONFIRMATIONS/CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING EMERGE PLATFORM OF NSE.**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – **COMPLIED WITH**

- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF FILING OF THE OFFER DOCUMENT WITH THE REGISTRAR OF COMPANIES. - **NOT APPLICABLE**.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE-**COMPLIED WITH**.

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website <https://www.esc.co.in/> would be doing so at his or her own risk.

#### **Caution**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc. The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Price Information and the track record of the past Issues handled by the Book Running Lead Manager

For details regarding the price information and the track record of the past Issues handled by the Book Running Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to Annexure A' to the Prospectus and the website of the Book Running Lead Manager at <https://www.ccvindia.com/>

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakh, pension funds with minimum corpus of ₹ 2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable



laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi only. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Prospectus had been filed with NSE EMERGE for its observations and NSE EMERGE gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: **NSE/LIST/3291** dated **February 09, 2024**, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.**

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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

#### **FILING**

The Draft Red Herring Prospectus and Red Herring Prospectus is being filed with NSE Limited, Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400051.

A copy of the Red Herring Prospectus and Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of

Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai-400002, Maharashtra at least (3) three working days prior from the date of opening of the Issue.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Red Herring Prospectus and Prospectus with the Due Diligence Certificate shall be submitted to SEBI pursuant to Regulation 246(1), and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*Shall be liable to action under Section 447 of the Companies, Act 2013.*

## **CONSENTS**

Consents in writing of: (a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) Book Running Lead Manager, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing final prospectus to ROC) and will be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with NSE.

## **EXPERT OPINION**

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Statutory Auditors for period ended on September 30, 2023 and financial year ended on March 31, 2023, March 31, 2022, and 2021 and Legal Advisor report on Outstanding Litigations and Material Developments, included in this Prospectus, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION**

We have not made any previous public issues since incorporation, and are an —Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI ICDR Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Other than as detailed under chapter titled - Capital Structure beginning on page 61 of the Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Prospectus.

#### **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of our Group Companies and Associates are listed. Further it has not undertaken any public or rights issue in the three (3) years preceding the date of this Prospectus.

#### **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY**

Our Company has not undertaken any public or rights issue in the five (5) years preceding the date of this Prospectus.

#### **PERFORMANCE VIS-À-VIS OBJECTS-PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY**

The Company does not have any listed subsidiary company.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Prospectus can be applied for in dematerialized form only.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Rajnish Pandey as the Company Secretary and Compliance Officer and may be contacted at the following address:

**Esconet Technologies Limited**

D-147 Okhla Industrial Area Phase 1,

New Delhi, India, 110020

Tel: +91 9311881642

Email: [cs@esc.co.in](mailto:cs@esc.co.in)Website: <https://www.esc.co.in/>

Investors can contact the Company Secretary & Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

**STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY:**

There is no listed company under the same management as on date.

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

The Company has not sought for any exemptions from complying with any provisions of securities laws.

**PRICE INFORMATION OF LAST 10 (TEN) ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**  
**Statement on Price Information of Past Issues handled by Corporate Capital Ventures Private Limited:****Price Information and the track record of the past Issues handled by the Book Running Lead Manager**

Sr. No.	Issue Name	Issue Size (Rs. In Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing
1.	Shish Industries Limited	4.06	30.00	05-09-2017	32.00	-3.33%	-10.00%	-9.00%
						-0.68%	3.33%	7.034%
2.	Ratnabhumi Developers Limited	23.31	63.00	14-12-2017	63.45	-30.83%	-41.67%	-30.00%
						4.04%	1.771%	7.35%

Sr. No.	Issue Name	Issue Size (Rs. In Cr.)	Issue Price (Rs.)	ListingDate	Opening Price on Listing Date (Rs.)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing
3.	Touchwood Entertainment Limited	4.21	40.00	21-12-2017	43.50	81.13	-10.00	34.38
						4.35%	-2.73%	2.58%
4.	SMVD Poly Pack Limited	9.02	55.00	26-12-2017	58.00	-22.18%	-44.91%	-58.18%
						5.1%	-3.8%	2.25%
5.	Narmada Agrobases Limited	7.49	32.00	19-04-2018	31.45	-3.13%	-12.03%	-23.44%
						0.29%	2.22%	0.181%
6.	Rudrabhishek Enterprises Limited	18.73	41.00	13-07-2018	41.25	0.00%	0.12%	17.93%
						3.72%	-7.11%	-1.48%
7.	Rajnandini Metal Limited	4.27	26.00	08-10-2018	35.00	-2.31%	-2.31%	0.38%
						2.419%	3.67%	12.73%
8.	Nupur Recyclers Limited	34.2	60.00	23-12-2021	34.2	313.00%	169.58%	219.17%
						3.65%	1.47%	-7.98%
9.	Uma Exports Limited	60.00	68.00	07-04-2022	80.00	-8.68%	-24.49%	-29.78%
						-6.96%	-9.35%	-1.96%
10.	Annapurna Swadisht Limited	30.25	70.00	27-09-2022	120.00	118.07%	80.57%	151.57%
						4.22%	4.63%	-0.36%
11.	Swastik Pipe Limited	62.52	100.00	12-10-2022	69.30	-13.30%	0.95%	-19.30%
						4.22%	4.63%	2.9%
12.	Phantom Digital Effects Limited	29.10	95.00	21-10-2022	315.05	186.53%	138.89%	143.37%
						4.16%	3.35%	0.24%
13.	Droneacharya Aerial Innovations Limited	33.96	54.00	23-12-2022	102.00	231.57%	133.43%	226.20
						1.29%	-3.20%	6.15%
14.	Crayons Advertising Limited	41.80	65.00	02-06-2023	90.00	143.23%	141.69%	147.08%
						3.53%	3.88%	7.67%
15.	Oriana Power Limited	59.65	118.00	11-08-2023	302.00	188.42%	168.26%	623.43%
						2.01%	-0.17%	-12.88%
16.	Rockingdeals Circular Economy Limited	21.00	140.00	30-11-2023	300.00	144.75%	N.A.	N.A.
						7.99%	N.A.	N.A.
17.	Accent Microcell Limited	78.40	140.00	15-12-2023	300.00	116.57%	N.A.	N.A.
						2.99%	N.A.	N.A.
MAIN BOARD ISSUES								

Sr. No.	Issue Name	Issue Size (Rs. In Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing
17.	Uma Exports Limited	60.00	68.00	07-04-2022	80.00	-8.68%	-24.49%	-29.78%
						-6.96%	-9.35%	-1.96%

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Notes\*:**

1. The Listing date of Rockingdeals Circular Economy Limited and Accent Microcell Limited is November 30, 2023 and December 15, 2023. Since the Companies have not completed its 90 and 180 Calendar days. Hence, the information for the same has been kept blank.
2. Further, the listing dates of Rockingdeals Circular Economy Limited and Accent Microcell Limited are November 30, 2023 and December 15, 2023 respectively. Hence, the information for the same has been kept blank.

Financial Year	Total No. of IPOs	Total Funds Raised (Rs. in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	4	200.85	-	-	-	3	-	-	-	-	-	1	-	-
2022-23	5	215.83	Nil	Nil	2	3	Nil	Nil	Nil	1	1	2	Nil	Nil
2021-22	1	34.20	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019 -20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	3	30.49	Nil	Nil	2	Nil	Nil	1	Nil	Nil	1	Nil	Nil	2
2017-18	4	40.60	Nil	1	2	1	Nil	Nil	1	1	1	Nil	1	Nil
2016-17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**Summary Statement of Disclosure:**

**Notes\*:**

1. The BSE Sensex and Nifty 50 are considered as the Benchmark Index
2. In case 30th/90th/180th day is not a trading day, closing price of the next trading day has been considered
3. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
4. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
5. Rockingdeals Circular Economy Limited and Accent Microcell Limited has not completed its 90 and 180 Calander days. Hence, the information for the same has been kept blank.

For details regarding the price information and the track record of the past Issues handled by the Book Running Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer the website of the Book Running Lead Manager at <https://www.ccvindia.com/initial-public-offers>

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

As on date of the Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

**Note:**

**Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.**

*This space has been left blank intentionally.*

## SECTION XII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public offers by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

For details in relation to Offer expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 74 and 289, respectively.

#### **The Offer**

The Offer comprises a Fresh Issue by our Company. Expenses for the Offer shall be borne our Company in the manner specified in “Objects of the Issue” beginning on page 74.

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on November 17, 2023, subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on November 20, 2023.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled ‘Dividend Policy’ beginning on pages 185 of this Prospectus.

#### **Offer for Sale**

In the case of offer for sale, the dividend for the entire year shall be payable to the transferees and the company has to disclose the name of the entity bearing the cost of making offer for sale along with reasons. However, the present issue does not include offer for sale and hence the said disclosure is not applicable to us.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10/-. The Issue Price of Equity Shares is ₹ 84 per Equity Share. The Issue Price shall be determined by our Company in consultation with the Lead Manager and is justified under the chapter titled Basis of Issue Price



beginning on page 86 of this Prospectus.

### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- i. Right to receive dividend, if declared;
- ii. Right to attend general meetings and exercise voting powers, unless prohibited by law;
- iii. Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- iv. Right to receive annual reports and notices to members;
- v. Right to receive offers for rights shares and be allotted bonus shares, if announced;
- vi. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- vii. Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- viii. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, "*Main Provision of Article of Association*", beginning on page 344 of this Prospectus.

### **Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Red Herring Prospectus:

- I. Tripartite agreement dated October 30, 2023 among CDSL, our Company and the Registrar to the Issue; and
- II. Tripartite agreement dated October 30, 2023 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate can be in dematerialized form i.e., not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 1600 Equity Shares and the same may be modified by the NSE Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1600 Equity Shares subject to a minimum allotment of 1600 Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

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

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

To register himself or herself as the holder of the equity shares; or to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of Promoters, Promoter Group, Public as provided in —Capital Structure on page 45 of this Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer —Main Provisions of Articles of Association on page 344 of this Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

*The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.*

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

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but

before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange(s) on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

### Offer Program

Events	Indicative Dates
Bid/Offer Opening Date	Friday, February 16, 2024
Bid/Offer Closing Date	Tuesday, February 20, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, February 21, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account orUPI ID linked bank account	On or about -Thursday, February 22, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or about Thursday, February 22, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	On or about Friday, February 23, 2024

*Note - Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Offer Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity

Shares.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

### **Migration to Main Board**

Our company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the EMERGE Platform, amongst others, has to fulfill following conditions:

- i. The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores.
- ii. The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
- iii. The applicant should have been listed on SME platform of the Exchange for at least 3 years.
- iv. The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- v. The company has not received any winding up petition admitted by a NCLT.
- vi. The net worth of the company should be at least 50 crores
- vii. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.

### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE with compulsory

market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the market making arrangement please refer to chapter titled General Information beginning on page 58 of this Prospectus.

#### **Arrangements for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 1600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extant Guidelines of the Government of India, OCBs cannot participate in this Offer.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, Financial Express; (ii) All editions of Hindi National Newspaper, Jansatta and the registered office of our company is situated in Delhi, therefore Hindi being regional language of Delhi, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

*The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## ISSUE STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ₹ 10 Crores and up to ₹ 25 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the Emerge Platform of NSE i.e., NSE EMERGE. For further details regarding the salient features and terms of such an offer please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 304 and 313 of the Prospectus.

This Issue comprise of up to 33,60,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of ₹ 84 per Equity Shares (*including a premium of ₹ 74 per equity share*) aggregating to ₹ 2,822.40 Lakhs (“*the Issue / the Offer*”) comprising of Fresh Issue of 33,60,000 Equity Shares aggregating up to ₹ 2,822.40 Lakhs by our Company. The Offer and the Net Offer will constitute 27.18% and 25.76% respectively of the post Issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Upto 1,76,000 Equity Shares	Not more than 15,90,400 Equity Shares	Not less than 4,78,400 Equity Shares	Not less than 11,15,200 Equity Shares
Percentage of offer Size available for Allocation	5.24% of the offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment (3)	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Anchor Investor Portion):  (a) Up to 31,840 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) Up to 6,36,800 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 9,53,600 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual funds only, subject to valid Bid	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on page 313.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Retail Individual Investors
		received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Bid	Only through the ASBA process.	ASBA Process only (excluding Anchor Investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment
Mode of allotment	Compulsorily in dematerialized form			
Maximum Bid Size	Equity Shares	Such number of Equity Shares in multiples of 1600 Equity Shares not exceeding the size of the Net Offer, subject to applicable limits.	Such number of Equity Shares in multiples of 1600 Equity Shares not Exceeding the size of the offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of 1600 Equity Shares so that the Bid Amount does not exceed Rs. 2,00,000/-
Trading Lot	1600 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	1600 Equity Shares and in multiples thereof		
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
Mode of Bid	Only through the ASBA process (except for Anchor Investors)			

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to "Issue Structure" on page 310 of the Prospectus.

- (1) Our Company in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for atleast 25% of the post offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 253 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.



*Bid/Offer Programme:*

<b>Events</b>	<b>Indicative Dates</b>
Bid/Offer Opening Date	Friday, February 16, 2024
Bid/Offer Closing Date	Tuesday, February 20, 2024
Finalization of Basis of Allotment with the SE	On or about Wednesday, February 21, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account orUPI ID linked bank account	On or about -Thursday, February 22, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or about Thursday, February 22, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	On or about Friday, February 23, 2024

*Note - Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centres mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Offer closing date:

A standard cut-off time of 3.00 p.m. for acceptance of bids.

A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.

A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.



## ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders through the UPI Mechanism.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in allotment or refund.*

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.*

*Thereafter, the final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), is prescribed by SEBI vide circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

*The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (“UPI Streamlining Circular”) read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.*

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

*Further, SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has further reduced the time period for refund of applications money from four days to two days from issue closing date viz. initiation not later than 09.30 am on T+2 day (T is issue Closing Date) and completion before 2.00 pm on T+2 day for fund transfer and completion before 4.00pm on T+2 day for unblocking.*

*Our Bank and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

*Further, our Bank and the Members of Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.*

## **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

*Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.*

## **Phased implementation of Unified Payments Inter face**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the "UPI Circulars") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use

his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circulars, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in shall be advertised in all editions of Financial Express, a widely circulated English national daily newspaper and all editions of Jansatta, a widely circulated Hindi national daily newspaper, the registered office of our company is situated in Delhi, therefore Hindi being regional language of Delhi, each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. Our Bank has appointed the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of of SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all Retail Individual Bidders applying in public issues where the application amount is up to ₹500,000 shall use UPI and

shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- i. a syndicate member;
- ii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iii. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iv. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the “General Information Document” available on the websites of the Stock Exchanges and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	White
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPIID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries")

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained

2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4. A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with NSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the Bankers to the Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Offer for analysing the same and fixing liability.

#### **Availability of Red Herring Prospectus/ Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

*As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.*

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **1. For Retail Individual Bidders**

The Application must be for 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 1600 Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size.



However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

***Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.***

***The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and the registered office of our company is situated in Delhi, therefore Hindi being regional language of Delhi, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and the registered office of our company is situated in Delhi, therefore Hindi being regional language of Delhi, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow

Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 313 of this Prospectus

- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non- Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **Option to Subscribe in the Offer**



- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Bidders:**

1. Our Company and the Book Running Lead Manager has declared the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company has filed the Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

## **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limit an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

## **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

## **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

## **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

## **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified

copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability, partnerships can participate in the Offer only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

## **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

## **BIDS BY SCSB'S:**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

## **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

## **Terms of payment**

The entire Offer price of ₹ 84 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

## **Payment mechanism**



The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:-

- i. In case of resident Anchor Investors : Esconet Technologies Limited IPO-Anchor Account-R
- ii. In case of Non-Resident Anchor Investors: Esconet Technologies Limited IPO- Anchor Account-NR

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S.No	Details
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DPID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in anyway be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the



correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price and the Anchor Investor Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares

and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

### **Signing of Underwriting Agreement and Registering of Red Herring Prospectus/Prospectus with ROC**

A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre- Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre- Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) the registered office of our company is situated in Delhi, therefore Hindi being regional language of Delhi, each with wide circulation. In the pre- Offer advertisement, we shall state the Bid Opening Date and the Bid/ Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS:**

Our Company will Offer a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/ Offer period and withdraw their Bids until Bid/ Offer Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
6. RIBs Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA

Account or bank account linked UPI ID of any third party;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
8. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
9. In case of joint Bids, ensure that the First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;
14. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;
20. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
21. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;
22. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
23. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
24. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;

25. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
26. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
27. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
28. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;
30. FPIs making MIM Bids using MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
31. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
32. UPI Bidders Bidding through the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Offer Closing Date;
34. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer;
35. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment; and
36. Ensure that the Demographic Details are updated, true and correct in all respects

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit a Bid using UPI ID, if you are not an UPI Bidder;
3. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Bank;
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

12. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;
13. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
14. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
15. Do not Bid for Equity Shares in excess of what is specified for each category;
16. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;
17. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;
18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
19. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;
20. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of this Prospectus;
23. Do not submit the General Index Register (GIR) number instead of the PAN;
24. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
25. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Bank;
26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
28. Anchor Investors should not bid through the ASBA process;
29. Anchor Investors should submit Anchor Investor Application Form only to the BRLM;
30. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
31. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
32. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
33. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
34. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
35. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other instructions for the Bidders Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre- Offer or post Offer related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- (a) During the Bid/ Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- (b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the RHP.

### **GROUND OFS OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application

Forms, Bid/ Offer Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant 's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Bidder may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Prospectus.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on



proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

## **BASIS OF ALLOTMENT**

### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to 11,15,200 Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 11,15,200 Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to 4,78,400 Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 4,78,400 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of 1,600 Equity Shares and in multiples of 1,600 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, up to a



minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter for 95% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than 15,90,400 Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
  - a) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - c) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crore per such Anchor Investor; and
    - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors
- d) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.
- e) **Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalize the Basis of Allotment in consultation with the NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than 1600 equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted 1600 equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of 1600 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1600 equity shares subject to a minimum allotment of 1600 equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1600 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the

allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Offer Closing Date. The

Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e., [www.nseindia.com](http://www.nseindia.com). And BSE i.e., [www.bseindia.com](http://www.bseindia.com) **Error! Hyperlink reference not valid.** With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of NSE i.e., [www.nseindia.com](http://www.nseindia.com) and BSE i.e., [www.bseindia.com](http://www.bseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

***"Any person who—***

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter's contribution in full has already been brought in;
- 6) That no further Offer of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;

- 8) If our Company does not proceed with the Offer after the Bid/ Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre- Offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **Utilization of Offer Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
- 5) Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Offer will be attended expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated October 30, 2023 between NSDL, the Company and the Registrar to the Offer;
- b) Tripartite Agreement dated October 30, 2023 between CDSL, the Company and the Registrar to the Offer;

The Company's equity shares bear an ISIN No. INE0RQZ01017

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## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DPIIT, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction – Foreign Investment in India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share

warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

**Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION XIII - MAIN PROVISION OF ARTICLE OF ASSOCIATION**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**ESCONET TECHNOLOGIES LIMITED**  
**(THE “COMPANY”)**

**1. CONSTITUTION OF THE COMPANY**

- a. The regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.
- b. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

**2. DEFINITIONS AND INTERPRETATION**

**A. Definitions**

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

“Act” means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

“Annual General Meeting” shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

“Articles” shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

“Auditors” shall mean and include those persons appointed as such for the time being by the Company.

“Board” or “Board of Directors” shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.

“Board Meeting” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

“Business Day” shall mean a day on which scheduled commercial banks are open for normal.

“Capital” or “Share Capital” banking business; shall mean the authorized share capital of the Company.

“Chairman” shall mean such person as is nominated or appointed in accordance with Article 35 herein below.

“Companies Act, 2013” shall mean the Companies Act, 2013 (Act 18 of 2013), as amended, including any statutory modification or re-enactment thereof, for the time being in force.

“Company” or “this Company” shall mean ESCONET TECHNOLOGIES LIMITED.

“Committees” shall have the meaning ascribed to such term in Article 66.

“Depositories Act” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

“Director” shall mean any director of the Company, including alternate directors, independent directors and nominee directors



appointed in accordance with the Law and the provisions of these Articles.

“Dividend” shall include interim dividends.

“Encumbrance” shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

“Equity Share Capital” shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.

“Equity Shares” shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.

“Executor” or “Administrator” shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

“Extraordinary General Meeting” shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.

“Financial Year” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

“Law/Laws” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

“Memorandum” shall mean the memorandum of association of the Company, as amended from time to time.

“Office” shall mean the registered office for the time being of the Company.

“Paid-up” shall include the amount credited as paid up.

“Person” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

“Register of Companies” shall mean the register of shareholders to be kept pursuant to Section 88 of the Act. (bb) “Register” shall mean the Register of Companies, from time to time having jurisdiction over the Company. (cc) “Rules” shall mean the rules made under the Act and as notified from time to time.

“Seal” shall mean the common seal(s) for the time being of the Company, if any.

“SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992. “SEBI” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

“Securities” or “securities” shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

“Shares” or “share” shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

“Shareholder” or “shareholder” or “member” shall mean any shareholder of the Company, from time to time.

“Shareholders’ Meeting” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the

provisions of these Articles.

“Stock Exchange” shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

## **B. Interpretation**

In these Articles (unless the context requires otherwise):

- a. References to a person shall, where the permitted assigns.
- b. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- c. References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- d. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- e. Wherever the word “include”, “includes”, or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitations”
- f. The term “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- g. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- h. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

## **3. EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## **4. SHARE CAPITAL**

- a. The authorized Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may sub- divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the subdivision.
- b. The Company has power, from time to time, to increase or reduce its authorized or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles.
- c. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- d. The Board may, subject to the relevant provisions of the Act and these Articles, allot and issue Shares as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares.
- e. Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- f. Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.
- g. The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of

the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

## **5. PREFERENCE SHARES**

### **a. Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or noncumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

### **b. Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

## **6. PROVISIONS IN CASE OF PREFERENCE SHARES**

Upon the issue of preference shares pursuant to Article 5 above, the following provisions shall apply:

- a. No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- b. No such shares shall be redeemed unless they are fully paid;
- c. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- d. Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provision of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- e. The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

## **7. COMPANY'S LIEN**

### **A. On shares:**

- a. The Company shall have a first and paramount lien:
  - I. on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
  - II. on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- b. The Company's lien, if any, on the shares, (not being fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- c. For the purpose of enforcing such lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorize one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made:

- I. unless a sum in respect of which the lien exists is presently payable; or
- II. until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- d. No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
- e. Subject to the Act and these Articles, the right of lien under this Article 7 shall extend to other Securities.

## **8. CALLS**

- a. Subject to the provisions of Section 49 of the Act, the terms on which any shares may have been issued and allotted, the Board may, from time to time, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- b. 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.
- c. The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.
- d. The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- e. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- f. If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof, he shall be liable to pay interest on the same from the day appointed for the payment to the time of actual payment at 10 (ten) per cent per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of such interest either wholly or in part.
- g. Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- h. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.

i. The Company may enforce a forfeiture of shares under Article 11 below notwithstanding the following : (i) a judgment or a decree in favour of the Company for calls or other money due in respect of any share; (ii) part payment or satisfaction of any calls or money due in respect of any such judgement or decree; (iii) the receipt by the Company of a portion of any money which shall be due from any Shareholder to the Company in respect of his shares; and (iv) any indulgence granted by the Company in respect of the payment of any such money.

j. The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board may agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.

k. No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

## **9. TRANSFER AND TRANSMISSION OF SHARES**

a. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

b. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

c. (I) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(II) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

d. Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee have been entered in the Register of Members in respect thereof.

e. Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in Article 72(g) be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

f. The Board shall have power on giving not less than 7 (seven) days' previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

g. Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the

case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

h. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transfer / transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

i. Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/ transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the listing requirements of the relevant Stock Exchanges on the ground that the number of shares to be transferred is less than any specified number.

j. In case of the death of any one or more shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder(s) recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint - holder from any liability on shares held by him jointly with any other Person.

k. The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint- holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 9 (a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

l. (1) Subject to the provisions of Articles and the Act, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

m. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

I. Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to register himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

II. Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a unpaid dividend account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

III. In case of transfer and transmission of shares or other securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

n. Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions

of Section 56 of the Act.

o. No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration or other similar documents.

p. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

q. The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

## **10. DEMATERIALIZATION OF SECURITIES**

a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

b. Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

c. If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

d. Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

e. Rights of Depositories & Beneficial Owners:

I. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

II. Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

III. Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

f. Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to Article 17(I).

g. Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized

and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

h. Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

i. Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

j. Transfer of Securities:

I. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

II. In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

k. Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

l. Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

m. Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

n. Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

o. Option to opt out in respect of any such Security:

Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

p. Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **11. FORFEITURE OF SHARES**



- a. If any Shareholder fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- b. The notice shall name a day, (not being less than 14 (fourteen) days from the date of service of notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
- c. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.
- d. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- e. Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- f. Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- g. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- h. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- i. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- j. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- k. The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
- l. The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

## **12. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by an Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- a. increase its Share Capital by such amount as it thinks expedient;
- b. consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
- c. Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- d. convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;
- e. sub-divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- f. Cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

## **13. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time by a Special Resolution, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **14. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

## **15. POWER TO MODIFY RIGHTS**

- a. Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 48 of the Act and applicable Laws, and whether or not the Company is being wound up, be varied provided the same is affected with consent in writing of the holders of not less than three-fourths of the issued shares of that class or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.
- b. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- c. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

## **16. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- a. The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
  - I. A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
  - II. A register of Debenture holders; and

III. A register of any other security holders.

b. The Company may keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

c. The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

## **17. SHARES AND SHARE CERTIFICATES**

a. The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

b. A duplicate certificate of shares may be issued, if such certificate:

I. is proved to have been lost or destroyed; or

II. Has been defaced, mutilated or torn; and is surrendered to the Company.

c. The Company shall be entitled to dematerialise its existing Shares, rematerialize its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.

d. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

e. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

f. When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

g. All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

h. The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub article (g) of this Article.

i. All books referred to in sub-article (h) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

j. The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

k. If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

l. Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

## **18. SHARES AT THE DISPOSAL OF THE DIRECTORS**

a. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

b. Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

c. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

d. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

e. In accordance with Section 56 and other applicable provisions of the Act and the Rules;

I. Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. A certificate issued under the Seal of the Company, if any, or signed by two Directors or by a Director and the Secretary, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

II. Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment in case of Shares and 6 (six) months from the date of allotment in case of Debentures, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 17 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rs. 20 (Rupees 20).

III. the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot. Where share certificates are issued in either more or less than marketable lots, subdivision or consolidation of share certificates into marketable lots shall be done free of charge.

IV. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## **19. UNDERWRITING AND BROKERAGE**

a. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares

or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

b. The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.

## **20. FURTHER ISSUE OF SHARE CAPITAL**

a. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-

I. to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 20(a)(i)A above shall contain a statement of this right;

C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.

II. to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

III. to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law.

b. The notice referred to in sub-clause A of Article 20(a)(i)(A) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

c. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company.

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

d. The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act and the Rules.

## **21. NOMINATION BY SECURITIES HOLDERS**

a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the

joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **22. NOMINATION FOR DEPOSITS**

A security holder may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

## **23. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## **24. BORROWING POWERS**

a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

- (I) accept or renew deposits from Shareholders;
- (II) borrow money by way of issuance of Debentures ;
- (III) borrow money otherwise than on Debentures;
- (IV) accept deposits from Shareholders either in advance of calls or otherwise; and
- (V) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future, and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

c) Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

d) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.

e) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

f) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

## **25. SHARE WARRANTS**

a) Share warrants may be issued as per the provisions of applicable Law.

b) Power to issue share warrants

The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

c) Deposit of share warrant:

I. The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

II. Not more than one person shall be recognized as depositor of the share warrant.

III. The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

d) Privileges and disabilities of the holders of share warrant:

I. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

II. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.

e) Issue of new Share Warrant or Coupon:

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruct.

## **26. CONVERSION OF SHARES INTO STOCK AND RE-CONVERSION**

a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and

advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

c) Where the shares are converted into stock, such of the Articles as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.

## **27. CAPITALISATION OF PROFITS**

The Company in General Meeting may, upon the recommendation of the Board, resolve:

a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts to the credit of the Company’s profit and loss account or otherwise, as available, and

b) That such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

I. paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

II. paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

III. partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

d) A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

## **28. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE**

a) The Board shall give effect to a Resolution passed by the Company in pursuance of this Article 28.

b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

I. make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

II. generally do all acts and things required to give effect thereto.

c) The Board shall have full power:

I. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

II. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any parts of the amounts remaining unpaid on the shares.

d) Any agreement made under such authority shall be effective and binding on all such shareholders.

## **29. ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months’ gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.



### **30. WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

### **31. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

a) Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxies and the Register of Directors' shareholdings' which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

### **32. NOTICE OF GENERAL MEETINGS**

a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (I) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company;
- (II) Auditor or Auditors of the Company; and
- (III) All Directors.

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

b) Notice of meeting to specify place, etc., and to contain statement of business : Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

c) Contents and manner of service of notice and Persons on whom it is to be served : Every notice may be served by the Company on any Shareholder thereof either in writing or through electronic mode as prescribed in the Act and relevant Rules thereunder personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

d) Special Business : Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special. In case of an Annual General Meeting of the Company, all business to be transacted thereat shall be deemed to be special with the exception of the business specified in Section 102 of the Act.

e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be

given by the Act, a special notice shall be given as required by Section 115 of the Act.

f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

### **33. REQUISITION OF EXTRAORDINARY GENERAL MEETING**

a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one- tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

e) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

f) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

### **34. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such quorum is not present within half an hour from the time set for the Shareholders' Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other Shareholders' Meeting shall be adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

### **35. CHAIRMAN**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

### **36. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **37. DEMAND FOR POLL**

a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded in accordance with the Act, be decided in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

d) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizers from office and fill vacancies in the office of scrutinizers arising from such removal or from any other cause.

e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.

f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

### **38. PASSING RESOLUTIONS BY POSTAL BALLOT**

a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

### **39. VOTES OF MEMBERS**

a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

b) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

c) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

d) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

e) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint - holders shall be entitled to be present at the meeting. Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint- holders thereof.

f) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

g) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

h) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

i) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

j) A Shareholder present by proxy shall be entitled to vote only on a poll.

k) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.

l) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

m) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

n) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

I. The Company shall cause minutes of the proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

II. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

III. The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

IV. All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

V. Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

VI. Any such Minutes shall be evidence of the proceedings recorded therein.

VII. The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

VIII. The Company shall cause minutes to be duly entered in books provided for the purpose of:

A. The names of the Directors and Alternate Directors present at each General Meeting;

B. All Resolutions and proceedings of General Meeting.

o) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any shall be decided by a majority vote.

p) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

q) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, SEBI Listing Regulations or any other Law, if applicable to the Company.

#### **40. DIRECTORS**

a) The following shall be the First Directors of the Company:

1. SANTOSH KUMAR AGRAWAL
2. SUNIL KUMAR AGRAWAL

b) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

c) Subject to Article 41(a), Sections 149, 152 and 163 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

d) The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

#### **41. CHAIRMAN OF THE BOARD OF DIRECTORS**

a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

#### **42. APPOINTMENT OF ALTERNATE DIRECTORS**

Company during such Director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "The Original Director") (Subject to such person being acceptable to the chairman) during The Original Director's absence. An Alternate Director's appointed under Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

#### **43. CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 40. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **44. DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

#### **45. INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

#### **46. NOMINEE DIRECTORS**

a) The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any Law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

b) So long as any moneys remain owing by the Company to The Industrial Development Bank of India, Industrial Finance Corporation of India, The Industrial Credit and Investment Corporation of India Limited, The Industrial Reconstruction Corporation of India Limited, Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance

Company Limited, The Oriental Fire & General Insurance Company Limited, The New India Assurance Company Limited, United India Insurance Company Ltd., Karnataka State Industrial Investment and Development Corporation Ltd. or any State Financial Corporation or any Financial Institution owned or controlled by the Central Government or any State Government or the Reserve Bank of India or by two or more of them by Central Government themselves (each of the above and Unit Trust of India are hereinafter referred to as the Corporation) out of any loans/debentures, assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of any guarantee furnished by the Corporation on behalf of the Company and remaining outstanding, the Corporation shall have a right to appoint from time to time, any person as Director, Wholetime or non – Wholetime (which Director or Directors, is/are hereinafter referred to as “Nominee Director’s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their places. The Board shall have no power to remove from the office of the Nominee Directors. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

#### **47. PERIOD OF HOLDING OF OFFICE BY NOMINEE DIRECTORS**

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of liability of the Company arising out of any guarantee furnished by the Corporation.

#### **48. APPOINTMENT OF SPECIAL DIRECTORS**

On behalf of the Company, whenever Directors enter into a contract with any Government, Central, Bank or Financial institution or any person or persons (hereinafter referred to as “The appointer”) for borrowing any money State or Local, any or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

#### **49. NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

#### **50. REMUNERATION OF DIRECTORS**

a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.



## **51. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

## **52. MISCELLANEOUS EXPENSES OF DIRECTORS**

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them : (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

## **53. CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 40 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

## **54. DISQUALIFICATION AND VACATION OF OFFICE BY A DIRECTOR**

a) A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 163 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.

b) Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

## **55. RELATED PARTY TRANSACTIONS AND DISCLOSURE OF INTEREST**

The Company shall comply with the applicable provisions of the Act, Rules framed thereunder and other relevant provisions of Law in respect of related party transactions and the Directors shall comply with the disclosure of interest provisions under the Act.

## **56. RETIREMENT OF DIRECTORS BY ROTATION**

a) At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election.

b) The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Provided that and to the extent permissible under the Act, the Managing Director, joint managing director, deputy managing director, manager or whole- time Director(s) appointed or such other directors nominated pursuant to Articles 44 and 46 hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

## **57. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:

I. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;



- II. retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
- III. he is not qualified or is disqualified for appointment;
- IV. a resolution whether Special or Ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or
- V. Section 162 of the Act is applicable to the case.

**58. MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may appoint from time to time one or more of their Directors to be the Managing Director or joint managing director or whole time director or deputy managing director or manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) partly as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder. Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager be determined.

**59. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

- a) Unless permitted under the Act, the Company however, shall not appoint or employ at the same time more than one of the following categories of management personnel namely, a managing director and manager.
- b) The remuneration of a Managing Director/ whole time director or executive director or manager shall (subject to Sections 196, 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles and of any contract between him and the Company) be paid in the manner permitted under the Act.

**60. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary ail or any of such powers.

**61. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- a) to make calls on Shareholders in respect of money unpaid on their shares;
- b) to authorize buy-back of securities under Section 68 of the Act;
- c) to issue securities, including debentures, whether in or outside India;
- d) to borrow money(ies);
- e) to invest the funds of the Company;
- f) to grant loans or give guarantee or provide security in respect of loans; and
- g) any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

## **62. PROCEEDINGS OF THE BOARD OF DIRECTORS**

a) At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.

b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed under the Act, which are capable of recording and recognizing the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

c) The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

d) The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.

e) At least 7 (Seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

## **63. QUORUM FOR BOARD MEETING**

Quorum for Board Meetings:

I. Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

II. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.

## **64. CASTING VOTE**

Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

## **65. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorized to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.

b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

c) Certain Powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and other provisions of the Act, it is hereby declared that the Directors shall have the following powers, that is to say, power:

I. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.

II. Payment out of Capital : To pay and charge to the capital account of the company any commission or interest lawfully payable there out under the provisions of Sections 40(6) of the Act,

III. To acquire property: Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

IV. To pay for property, etc. : At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

V. To secure contracts : To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

VI. To accept surrender of shares: To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

VII. To appoint Trustees: To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

VIII. To bring and defend actions : To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

IX. To act in insolvency matters: To act on behalf of the Company in all matters relating to bankrupts and insolvents.

X. To give receipts: To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.

XI. To invest moneys: Subject to the provisions of Sections 179, 180 (1) (c), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and Company's own name in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the

XII. To provide for Personal Liabilities: To execute in the name and on behalf of the Company in the Company such mortgages of the Company's property (present and future) as they think fit: and any such mortgage favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of may

contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.

XIII. To authorize acceptances: To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.

XIV. To distribute bonus: To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

XV. To provide for welfare of employees : To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

XVI. To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

XVII. To appoint managers etc.: To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit.

XVIII. To comply with local Laws: To comply with requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

XIX. To delegate powers: Subject to Section 179 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

XX. To authorize by power of attorney : At any time and from time to time by Power of Attorney (if so resolved by the Board under the Seal of the Company), to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in the limits authorized by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly, or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience

of persons dealing with such Attorneys as the Board may think fit, and may contain Powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the Powers, authorities and discretions for the time- being vested in them.

XXI. To negotiate: Subject to Section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.

XXII. To make and vary Regulations : From time to time make, vary or repeal bye- laws for the regulation of the business of the Company, its officers and servants.

XXIII. Amendments to Accounts: Subject to Section 130, the directors shall, if they consider it to be necessary and in the interest of the company, be entitled to amend the Audited Accounts of the company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the directors in pursuance of this Article shall be placed before the members in General Meeting for their consideration and approval.

XXIV. To formulate schemes, etc.: Subject to provisions of Law, the directors may formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the company, including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the company.

## **66. COMMITTEES AND DELEGATION BY THE BOARD**

a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

c) The meetings and proceedings of any such Committee of the Board consisting of more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

## **67. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

a) All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

b) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

## **68. PASSING OF RESOLUTION BY CIRCULATION**

a) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by

courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being required that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

b) A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **69. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD**

a) The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

b) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

#### **70. THE SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

#### **71. SEAL**

a) The Board may provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and if the Seal is provided for, the Board shall provide for the safe custody of the Seal for the time being.

b) Subject to Article 72 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (two) Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

#### **72. DIVIDEND POLICY**

a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

b) Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

c) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both, and provided that the declaration of the Board as to the amount of the net profits shall be conclusive.

d) Subject to Section 123, the Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

f) (I) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(II) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this Article as paid on shares.

(III) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

h) Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money (ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

l) No unpaid Dividend shall bear interest as against the Company.

m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set -off against such calls.

n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

### **73. UNPAID OR UNCLAIMED DIVIDEND**

a) Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.

b) Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub - section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".



- c) Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

#### **74. ACCOUNTS AND BOARD'S REPORT**

- a) The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law.
- b) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report by the company secretary in practice in his secretarial audit report.
- c) The Company shall comply with the requirements of Section 136 of the Act.

#### **75. DOCUMENTS AND NOTICES**

- a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier, to him to his registered address.
- b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have affected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- c) A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.
- d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, Photostat or lithographed.
- f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- g) Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

#### **76. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the



Company shall be deemed to be duly served to him on the day on which the advertisement appears.

#### **77. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

#### **78. WINDING UP**

a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **79. INDEMNITY**

Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **80. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.

#### **81. SIGNING OF CHEQUES**

Subject to applicable Law and Section 64 of the Act, all cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid by the company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **82. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, Register of Members, books of accounts and the minutes of the meeting of the shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

#### **83. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Company may amend its Memorandum of Association and Articles of Association subject to Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time.

#### **84. SECRECY OF WORKS OR INFORMATION**

No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

**85. DUTIES OF THE OFFICER TO OBSERVE SECRECY**

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Directors before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the company and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law a except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

## SECTION XIV- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: D-147 Okhla Industrial Area Phase 1, New Delhi, India, 110020 from the date of filing this Red Herring Prospectus with RoC to Issue Closing Date on working days from 11.00 a.m. to 5.00 p.m.*

#### MATERIAL CONTRACTS

1. Issue Agreement dated November 21, 2023 between our company and the Lead Manager.
2. Registrar Agreement dated November 17, 2023 between our company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated February 09, 2024 among our Company, the Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank and the Registrar to the Issue.
4. Underwriting Agreement dated February 09, 2024 between our company and the Underwriters.
5. Market making Agreement dated February 09, 2024 between our company, the Lead Manager and the Market Maker.
6. Agreement among NSDL, our company and the registrar to the issue dated October 30, 2023.
7. Agreement among CDSL, our company and the registrar to the issue dated October 30, 2023.

#### MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated November 17, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated November 20, 2023 in relation to the Issue and other related matters.
4. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Book Running Lead Manager, Registrar to the Issue, Peer review Auditor and Legal Advisor to act in their respective capacities.
5. Peer Review Auditors Report dated November 21, 2023 and November 30, 2023 on Restated Financial Statements of our Company for the period ended September 30, 2023, March 31, 2023, 2022 and 2021.
6. The Report dated December 09, 2023 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus .
7. Certificate of Key Performance Indicators (KPIs) dated December 14, 2023 issued by our Statutory Auditor, M/s Goel Mintri & Associates, Chartered Accountants.
8. The Report dated December 20, 2023, by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
9. Copy of approval from NSE Emerge vide letter dated February 09, 2024 to use the name of NSE in this offer document for listing of Equity Shares on Emerge Platform of NSE.
10. Due diligence certificate dated December 28, 2023 from Lead Manager to the Issue.
11. Board Resolution dated December 28, 2023 for approval of Draft Red Herring Prospectus and IPO Committee Resolution dated February 10, 2024 for approval of the Prospectus and IPO Committee Resolution for approval of Prospectus dated February 20, 2024.

*Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.*

## DECLARATION

We, hereby declares that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case maybe. We further certify that all the statements made in this Prospectus are true and correct.

Signed by the Directors of our Company				
S.N.	Name	Category	Designation	Signature
1.	Santosh Kumar Agrawal	Executive	Chairman and Managing Director	Sd /-
2.	Sunil Kumar Agrawal	Executive	Whole Time Director	Sd /-
3.	Vineet Agrawal	Executive	Whole Time Director	Sd /-
4.	Mukesh Chand Jain	Non- Executive	Independent Director	Sd /-
5.	Gaurav Gupta	Non- Executive	Independent Director	Sd /-
6.	Ashi Jain	Non- Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
7.	Mr. Himanshu Purohit	Whole – Time	Chief Financial Officer	Sd /-
8.	Mr. Rajnish Pandey	Whole – Time	Company Secretary	Sd /-

**Place:** New Delhi

**Date:** February 20, 2024