



### AAA TECHNOLOGIES LIMITED

Our Company was incorporated as "AAA Technologies Private Limited" on 3<sup>rd</sup> October, 2000 under the Companies Act, 1956 in the state of Maharashtra vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company obtained a further Certificate of Incorporation on 3<sup>rd</sup> August, 2020 issued by Registrar of Companies, Maharashtra, Mumbai consequent to conversion of the Company to a Public Limited Company. The Corporate Identity Number of our Company is U72100MH2000PLC128949. For further details on change of the registered office of our Company, kindly refer the chapter titled "History and Corporate Structure" beginning on page 110 of this Prospectus.

**Registered & Corporate Office:** 278-280, F Wing, Solaris I, Saki Vihar Road, Opp. L&T Gate No. 6, Powai, Andheri East, Mumbai – 400072

**Telephone:** +91-22-28573815/16, **Fax:** +91-22-40152501, **E-mail:** info@aaatechnologies.co.in **Website:** www.aaatechnologies.co.in

**Contact Person:** Mr. Sagar Shah, Company Secretary and Compliance Officer; **E-mail:** cs@aaatechnologies.co.in

#### PROMOTERS OF OUR COMPANY

**MR. ANJAY RATANLAL AGARWAL, MR. VENUGOPAL MADANLAL DHOOT AND MRS. RUCHI ANJAY AGARWAL**

#### THE ISSUE

**INITIAL PUBLIC OFFER OF UP TO 24,36,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF AAA TECHNOLOGIES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹42 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹32 PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UP TO ₹1023.12 LAKHS (THE "ISSUE") OF WHICH 1,23,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹42 PER EQUITY SHARE AGGREGATING TO ₹51.66 LAKHS FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION i.e., 23,13,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹42 PER EQUITY SHARE, AGGREGATING TO ₹971.46 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.49% AND 27.05%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 185 OF THIS PROSPECTUS.**

#### ISSUE PRICE AND THE MINIMUM LOT SIZE (BID LOT)

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE OF ₹42 IS 4.2 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE MINIMUM LOT SIZE IS 3000 EQUITY SHARES.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED THROUGH FIXED PRICE METHOD.**

In terms of Regulation 256 of SEBI ICDR Regulations read with the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, all the applicants applying in a public issue shall participate only through Application Supported by Blocked Amount (ASBA) process by providing details about the respective bank account (including UPI ID for RIs using UPI Mechanism) wherein the Application Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism as the case may be, to the extent of respective Application Amount. A copy of the Prospectus has been delivered to Registrar of Companies, Maharashtra, Mumbai in accordance with Section 26 of the Companies Act, 2013 along with all the requisite documents. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, kindly refer the chapter titled "Material Contracts and Documents for Inspection" on page 266 of this Prospectus.

#### RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on the SME Platform of NSE (NSE EMERGE). No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered 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 this Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 21 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 this 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 this Prospectus are proposed to be listed on the SME platform of NSE (NSE EMERGE). In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our Company has received 'In-principle' approval from NSE vide its letter dated September 22, 2020 for using its name in this offer document for listing of our Equity Shares on the SME platform of NSE (NSE EMERGE). For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

#### LEAD MANAGER TO THE ISSUE



Chartered Finance Management Limited

**CHARTERED FINANCE MANAGEMENT LIMITED**  
2nd Floor, Wakefield House, Spratt Road, Ballard Estate,  
Mumbai – 400038 Maharashtra, India  
**Tel. No.:** +91 22 22696944 / 22675708; **Fax No.:** +91 22 22624943  
**Email:** aaatech.ipo@cfml.in  
**Website:** www.charteredfinance.in  
**Investor Grievance Email:** ipo@cfml.in  
**Contact Person:** Mr. R. Ramnath  
**SEBI Registration No.:** INM000012052

#### REGISTRAR TO THE ISSUE



**LINK INTIME INDIA PRIVATE LIMITED**  
C - 101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai – 400 083, Maharashtra, India  
**Tel:** +91 22 4918 6200; **Fax:** +91 22 4918 6195  
**Email:** aaa.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Investor Grievance Email:** aaa.ipo@linkintime.co.in  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**SEBI Registration No.:** INR000004058

#### ISSUE PROGRAMME

**ISSUE OPENS ON: Wednesday, September 30, 2020**

**ISSUE CLOSURES ON: Monday, October 05, 2020**

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## SECTION I -OVERVIEW

### DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Industrial Regulations and Policies”, “Statement of Tax Benefits”, “Financial Statements”, “Basis for Issue Price”, “Outstanding Litigation and Material Developments” and “Provisions of the Articles of Associations” on pages 78, 108, 75, 137, 72, 169 and 228 respectively shall have the meaning ascribed to them in the relevant section.

#### Conventional or General Terms

| Term                                                                          | Description                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “our Company” or “the Company” or “the Issuer” or “AAA Technologies” or “ATL” | AAA Technologies Limited, a company incorporated under the Companies Act, 1956, and having its Registered & Corporate Office at 278-280, F Wing, Solaris I, Saki Vihar Road, Opp. L&T Gate 6, Powai, Andheri East, Mumbai – 400072, Maharashtra, India. |
| “we” or “us” or “our”                                                         | Unless the context otherwise indicates or implies, refers to our Company.                                                                                                                                                                               |

#### Company Related Terms

| Term                                                       | Description                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Articles” or “Articles of Association” or “AoA”           | Articles of Association of our Company, as amended                                                                                                                                                                                                                                                          |
| Audit Committee                                            | Audit Committee of our Company constituted in accordance with Regulation 18 of the SEBI LODR Regulations and Section 177 of the Companies Act, 2013. The audit committee of our Board, is described in “Our Management” on page 121.                                                                        |
| “Auditors” or “Statutory Auditors”                         | M/s. Vandana V Dodhia & Co., Chartered Accountants carrying Firm Registration No. 117812W are the statutory auditors of our Company                                                                                                                                                                         |
| “Board” or “Board of Directors”                            | The board of directors of our Company, including a duly constituted committee thereof                                                                                                                                                                                                                       |
| CFO                                                        | Chief Financial Officer of our Company                                                                                                                                                                                                                                                                      |
| Company Secretary and Compliance Officer                   | Company Secretary and Compliance Officer of our Company is Mr. Sagar Shah (ACS Membership # 58464)                                                                                                                                                                                                          |
| Corporate Social Responsibility Committee or CSR Committee | Corporate Social Responsibility Committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013                                                                                                                                                                |
| Director(s)                                                | The director(s) of our Company                                                                                                                                                                                                                                                                              |
| Equity Shares                                              | Equity shares of our Company of face value of ₹ 10 each and fully paid-up                                                                                                                                                                                                                                   |
| Fiscal 2018 / Fiscal 2019/ Fiscal 2020                     | 12 months ended March 31, 2018/12 months ended March 31, 2019/12 months ended March 31, 2020                                                                                                                                                                                                                |
| Group Companies                                            | The companies as disclosed in the section “Our Group Companies” beginning on page 134 of this Prospectus                                                                                                                                                                                                    |
| Independent Directors                                      | Independent directors of our Company                                                                                                                                                                                                                                                                        |
| “Key Managerial Personnel” or “KMP”                        | Key Managerial Personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations                                                                                                                                                                                                 |
| Materiality Policy                                         | The policy adopted by our Board on 10 <sup>th</sup> August, 2020, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Prospectus. |
| “Memorandum of Association” or “MoA”                       | Memorandum of Association of our Company, as amended                                                                                                                                                                                                                                                        |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nomination and Remuneration Committee | Nomination and Remuneration Committee of our Company constituted in accordance with Regulation 19 of the SEBI LODR Regulations and the other applicable provisions of the Companies Act, 2013                                                                                                                                                                                                                                                                                                                                                                   |
| Non- Executive Director(s)            | A Director not being an Executive Director of our Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Promoters”                           | Promoters of our Company, being, Mr. Anjay Ratanlal Agarwal, Mr. Venugopal Madanlal Dhoot and Mrs. Ruchi Anjay Agarwal. <i>(Instead of the full name, they have also been referred as Mr. Anjay Agarwal, Mr. Venugopal Dhoot and Mrs. Ruchi Agarwal at various places in this Prospectus; being the names used by them in general usage)</i>                                                                                                                                                                                                                    |
| Promoter Group                        | Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations as described in the section titled “Our Promoter and Promoter Group” on page 129 of this Prospectus.                                                                                                                                                                                                                                                                                                             |
| Registered & Corporate Office         | Registered & Corporate Office of our Company located at 278-280, F Wing, Solaris I, Saki Vihar Road, Opp. L&T Gate 6, Powai, Andheri East, Mumbai – 400072, Maharashtra, India                                                                                                                                                                                                                                                                                                                                                                                  |
| “Registrar of Companies” or “RoC”     | Registrar of Companies, Mumbai, situated at 100 Everest, Marine Drive, Mumbai – 400002, Maharashtra, India                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Restated Financial Statements         | The Restated Financial Information of our Company, which comprises of the Restated Balance Sheet, the Restated Statement of Profit and Loss and the Restated Cash Flow Statement, as at and for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018 together with its notes, annexures and schedules prepared in accordance with the applicable provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and included in the section titled “Financial Statements” on page 137 of this Prospectus |
| Shareholders                          | The holders of Equity Shares of our Company from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Stakeholders’ Relationship Committee  | Stakeholders’ Relationship Committee of our Company, constituted in accordance with Regulation 20 of the SEBI LODR Regulations and the other applicable provisions of the Companies Act, 2013. The Stakeholders’ relationship committee of our Board, is described in the section “Our Management” on page 114                                                                                                                                                                                                                                                  |

### Issue Related Terms

| Term                                    | Description                                                                                                                                                                                                                                                                                          |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abridged Prospectus                     | Abridged prospectus means a memorandum containing such silent features of a prospectus as may be specified by the SEBI in this behalf                                                                                                                                                                |
| Acknowledgement Slip                    | The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Application Form                                                                                                                                                                                |
| Allocation/ Allocation of Equity Shares | The allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to successful applicants                                                                                                                                                                                           |
| “Allot” or “Allotment” or “Allotted”    | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.                                                                                                                                                           |
| Allotment Advice                        | Note or advice or intimation of Allotment sent to the Applicants 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                                | A successful Applicant to whom the Equity Shares are Allotted                                                                                                                                                                                                                                        |
| Applicant                               | Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.                                                                                                                                                                                                     |
| Application                             | An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations |
| Application Amount                      | The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of this Prospectus                                                                                                                                                                              |
| Application Form                        | The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus                                                                                                                     |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Application Supported by Blocked Amount” or “ASBA” | Application, whether physical or electronic, used by ASBA Applicant to make an Application and authorizing an SCSB to block the Application Amount in the specified Bank Account maintained and will include applications made by RII's using the UPI Mechanism where the Application Amount will be blocked upon acceptance of UPI Mandate Request by RII's.                                                                                                                                                           |
| ASBA Account                                        | Bank account maintained with an SCSB by an ASBA Applicant, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of an RII which is blocked upon acceptance of a UPI Mandate Request made by the RII's using the UPI Mechanism                                                                                                                                                                                    |
| ASBA Applicant                                      | An Application made by an ASBA Applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ASBA Applicants                                     | All Applicants except Anchor Investors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ASBA Form                                           | Application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus                                                                                                                                                                                                                                                                                                                                                          |
| Banker to the Issue                                 | Collectively, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be the banks which are clearing members and registered with the SEBI, as bankers to an issue and with whom the Escrow Account is opened, in this case being Kotak Mahindra Bank Limited                                                                                                                                                                                                              |
| Basis of Allotment                                  | Basis on which Equity Shares will be Allotted to successful Bidders/Applicants under the Issue and which is described in the section “Issue Procedure” beginning on page 196                                                                                                                                                                                                                                                                                                                                            |
| Broker Centres                                      | Centres notified by the Stock Exchange where ASBA Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )                                                                                                              |
| CAN or Confirmation of Allocation Note              | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.                                                                                                                                                                                                                                                                                                                          |
| CFML or CFM                                         | Chartered Finance Management Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Client ID                                           | Client identification number maintained with one of the Depositories in relation to demat account                                                                                                                                                                                                                                                                                                                                                                                                                       |
| “Collecting Depository Participant” or “CDP”        | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of the Stock Exchange                                                                                                                                                                                               |
| Controlling Branches                                | Such Branches of the SCSBs which co-ordinate Applications by the 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">http://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 including the Applicant's address, name of the Applicant father/husband, PAN, investor status, occupation, bank account details and UPI ID, wherever applicable                                                                                                                                                                                                                                                                                                               |
| Depositories                                        | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL                                                                                                                                                                                                                                                                                                                                                                                                    |
| Designated CDP Locations                            | Such locations of the CDPs where Applicants/Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange                                                                                                                                                                                                                            |
| Designated Date                                     | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RII's using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of this Prospectus following which Equity Shares will be Allotted in the Issue. |
| Designated Intermediaries /                         | In relation to ASBA Forms submitted by RII's authorizing an SCSB to block the                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Collecting Agent                       | Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.                                                                                                                                                                                                                                                                                                                                                             |
| Designated RTA Locations               | Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Designated SCSB Branches               | Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Designated Stock Exchange              | National Stock Exchange of India Limited (SME Platform – NSE EMERGE)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “Draft Prospectus” or “DP”             | The Draft Prospectus dated 21 <sup>st</sup> August 2020 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Foreign Portfolio Investor / FPIs      | Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Eligible NRI(s)                        | An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and this Prospectus will constitute an invitation to purchase the equity shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Escrow Account                         | Non lien and non-interest-bearing accounts to be opened with the Escrow Collection Company(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Application Amount when submitting an Application                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Escrow and Sponsor Bank Agreement      | Agreement dated September 24, 2020 amongst our Company, the Registrar to the Issue, the Lead Manager, the Syndicate Member(s), the Sponsor Bank, the Escrow Collection Bank, the Public Offer Account Bank and the Refund Bank for collection of the Application Amounts and where applicable, remitting funds (if any) on the terms and conditions thereof.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| First or sole Applicant                | Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint application, whose name shall also appear as the first holder of the beneficiary account held in joint names                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| General Information Document or GID    | The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, as amended from time to time.<br>Pursuant to the SEBI circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, the General Information Document shall be available on the websites of the Stock Exchange and the Lead Manager |
| Issue / Issue Size/ Public Issue / IPO | Initial public offering of 24,36,000 Equity Shares of our Company for cash at a price of ₹42 each, aggregating to ₹1023.12 Lakhs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Issue Closing date                     | The date on which the Issue closes for subscription being Monday , October 5, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Issue Opening date                     | The date on which the Issue opens for subscription being Wednesday, September 30, 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue Agreement                     | The agreement dated 18 <sup>th</sup> August, 2020 and addendum dated September 24 2020 among our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue                                                                                                                                                                                                                                                                                                       |
| Issue Price                         | The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Prospectus being ₹42 per share.                                                                                                                                                                                                                                                                                                                                                    |
| Issue Proceeds                      | The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the section titled “Objects of the Issue” beginning on page 65 of this Prospectus.                                                                                                                                                                                                                                                                                            |
| Lead Manager / LM / LM's            | Lead Manager to the Issue is Chartered Finance Management Limited                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Listing Agreement                   | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE                                                                                                                                                                                                                                                                                                                                                                                 |
| Lot Size                            | 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Market Maker                        | Member Brokers of National Stock Exchange of India Limited, who are specifically registered as Market Makers with the NSE EMERGE Platform of National Stock Exchange of India Limited. In our case NNM Securities Private Limited, being the Market Maker.                                                                                                                                                                                                                                               |
| Market Making Agreement             | The Market Making Agreement dated September 24, 2020 between our Company, LM and Market Maker                                                                                                                                                                                                                                                                                                                                                                                                            |
| Market Maker Reservation Portion    | The reserved portion of 1,23,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at a price of ₹42 per Equity Share aggregating to ₹51.66 Lakhs for the Market Maker in this Issue                                                                                                                                                                                                                                                                                                       |
| Maximum RII Allottees               | Maximum number of RIIs who can be allotted the minimum Lot size. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Lot size, subject to valid Applications being received at the Issue Price                                                                                                                                                                                                                                                 |
| Minimum Promoters' Contribution     | Aggregate of 20% of the fully diluted Post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked-in for a period of three years from the date of Allotment.                                                                                                                                                                                                                                                                |
| Mobile App(s)                       | The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism                                                                                                                 |
| Mutual Fund                         | A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended                                                                                                                                                                                                                                                                                                                                                                                                           |
| Net Issue                           | The Issue less Market Making Portion. The Net Issue is 23,13,000 Equity Shares of ₹ 10 each at ₹42 per Equity Share aggregating to ₹971.46 Lakhs by our Company.                                                                                                                                                                                                                                                                                                                                         |
| Net Proceeds                        | Proceeds of the Issue less Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see section titled “Objects of the Issue” on page 65                                                                                                                                                                                                                                                                                                                        |
| Non-Institutional Investors or NIIs | All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹2,00,000/- (but not including NRIs other than Eligible NRIs)                                                                                                                                                                                                 |
| Non-Residents                       | Person resident outside India, as defined under FEMA and includes a non-resident Indian, VCFs, FPIs and FVCIs                                                                                                                                                                                                                                                                                                                                                                                            |
| Overseas Corporate Body / OCB       | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Other Investors                     | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.                                                                                                                                                                                                                                              |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Person 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 validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Prospectus                                          | The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Public Issue Account                                | No lien and non-interest-bearing account to be opened with the Bankers to the Issue, under Section 40(3) of the Companies Act, 2013 to receive monies from the ASBA Accounts and UPI Applicants on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Qualified Institutional Buyers, QIBs or QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Refund Account(s)                                   | No lien and non-interest-bearing account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Refund Bank(s)                                      | Banker(s) to the Issue and with whom the Refund Account will be opened, in this case being Kotak Mahindra Bank Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Registered Brokers                                  | Stock brokers registered under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the Stock Exchange having nationwide terminals, other than the LM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated 4 <sup>th</sup> October 2012 issued by SEBI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Registrar Agreement                                 | Agreement dated 18 <sup>th</sup> August, 2020 amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Registrar and Share Transfer Agents or RTAs         | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations as per the list available on the websites of the Stock Exchange, and the UPI Circulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Registrar to the Issue” / “Registrar”              | Registrar to the Issue, being Link Intime India Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Retail Individual Investors (s) or RIIs             | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Revision Form                                       | Form used by the Applicants to modify the quantity of the Equity Shares or the Application Amount in any of their Application Form(s) or any previous Revision Form(s).<br>QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Application until Issue Closing Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Self-Certified Syndicate Bank(s) or SCSB(s)         | The banks registered with SEBI, which offer the facility of ASBA services,<br>(i) in relation to ASBA where the Application Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time,<br>(ii) in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=40</a><br>or such other website as updated from time to time.<br><br>Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website |
| Specified Locations                                 | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time                                                                                                                                                                                                                                                                                                           |
| Sponsor Bank           | Kotak Mahindra Bank Limited , being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the RII's using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars                                                                                                                     |
| Underwriters           | NNM Securities Private Limited & Chartered Finance Management Limited                                                                                                                                                                                                                                                                                                                                                                                |
| Underwriting Agreement | Agreement dated September 24, 2020 amongst our Company, and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC                                                                                                                                                                                                                                                                      |
| 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 and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI ID                 | ID created on the UPI for single-window mobile payment system developed by the NPCI                                                                                                                                                                                                                                                                                                                                                                  |
| UPI Mandate Request    | A request (intimating the RII by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RII to such UPI linked mobile application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment                                                 |
| UPI Mechanism          | The bidding mechanism that may be used by an RII submitted with intermediaries with UPI as a mode of payment in accordance with the UPI Circulars to make an ASBA Bid in the Offer                                                                                                                                                                                                                                                                   |
| UPI PIN                | Password to authenticate a UPI transaction                                                                                                                                                                                                                                                                                                                                                                                                           |
| U.S. Securities Act    | U.S. Securities Act of 1933, as amended                                                                                                                                                                                                                                                                                                                                                                                                              |
| Willful Defaulter      | An entity or person categorized as a willful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                     |
| Working Day            | Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business.                                                                                                                                                                                                                                                                                                        |

#### Technical/Industry Related Terms/Abbreviations

| Term     | Description                                      |
|----------|--------------------------------------------------|
| ASSOCHAM | The Associated Chambers of Commerce and Industry |
| BFSI     | Banking, Financial Services and Insurance        |
| CAGR     | Compounded Annual Growth Rate                    |
| CERT-In  | Indian Computer Emergency Response Team          |
| CIN      | Corporate Identification Number                  |
| CPI      | Consumer Price Index                             |
| DSCI     | Data Security Council of India                   |
| EPFO     | Employees' Provident Fund Organization           |
| GDP      | Gross Domestic Product                           |
| GDS      | Gross Domestic Savings                           |
| LIC      | Life Insurance Corporation of India              |
| MF       | Mutual Fund                                      |
| MF RTA   | Mutual Fund Registrar and Transfer Agent         |
| NIC      | National Informatics Centre                      |
| NICSI    | National Informatics Centre Services Inc.        |
| IT       | Information Technology                           |

|      |                                         |
|------|-----------------------------------------|
| ITeS | Information Technology enabled Services |
| RBI  | Reserve Bank of India                   |
| WTO  | World Trade Organization                |

### Conventional Terms and Abbreviations

| Term                                 | Description                                                                                                                                                                                                   |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A/c                                  | Account                                                                                                                                                                                                       |
| ₹/Rs./Rupees/INR                     | Indian Rupees                                                                                                                                                                                                 |
| ACH                                  | Automated Clearing House                                                                                                                                                                                      |
| AGM                                  | Annual general meeting                                                                                                                                                                                        |
| Alternative Investment Funds or AIFs | Alternative Investment Funds as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.                                        |
| Apprentices Act                      | The Apprentices Act, 1961                                                                                                                                                                                     |
| AS or Accounting Standards           | Accounting Standards issued by the Institute of Chartered Accountants of India                                                                                                                                |
| ASBA                                 | Applications Supported by Blocked Amount                                                                                                                                                                      |
| AY                                   | Assessment Year                                                                                                                                                                                               |
| CAGR                                 | Compounded Annual Growth Rate                                                                                                                                                                                 |
| Category I AIF                       | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations                                                                                                           |
| Category I FPIs                      | FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations                                                                                                            |
| Category II AIF                      | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations                                                                                                          |
| Category II FPIs                     | FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations                                                                                                           |
| Category III AIF                     | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations                                                                                                         |
| CCIL                                 | Clearing Corporation of India Limited                                                                                                                                                                         |
| CDSL                                 | Central Depository Services (India) Limited                                                                                                                                                                   |
| CII                                  | Confederation of Indian Industry                                                                                                                                                                              |
| CIN                                  | Corporate Identification Number                                                                                                                                                                               |
| Civil Code                           | The Code of Civil Procedure, 1908                                                                                                                                                                             |
| Client ID                            | Client Identification Number of the Applicant's beneficiary account                                                                                                                                           |
| Companies Act/ Companies Act, 2013   | Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder                                                                                                          |
| Companies Act, 1956                  | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under |
| CY                                   | Calendar Year                                                                                                                                                                                                 |
| Depositories                         | NSDL and CDSL                                                                                                                                                                                                 |
| Depositories Act                     | The Depositories Act, 1996                                                                                                                                                                                    |
| DIN                                  | Director Identification Number                                                                                                                                                                                |
| DPIIT                                | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ( <i>earlier known as the Department of Industrial Policy and Promotion</i> )                 |
| DP or Depository Participant         | A depository participant as defined under the Depositories Act                                                                                                                                                |
| DP ID                                | Depository Participant Identification                                                                                                                                                                         |
| ECS                                  | Electronic Clearing Services                                                                                                                                                                                  |
| EBITDA                               | Earnings Before Interest, Tax, Depreciation and Amortization                                                                                                                                                  |
| EBITDA Margin                        | EBITDA as a percentage of total income                                                                                                                                                                        |
| EPF Act                              | The Employees Provident Fund and Miscellaneous Provisions Act, 1952                                                                                                                                           |
| EGM / EOGM                           | Extraordinary General Meeting                                                                                                                                                                                 |
| EPS                                  | Earnings per share                                                                                                                                                                                            |
| ER Act                               | The Equal Remuneration Act, 1976                                                                                                                                                                              |
| ESI Act                              | The Employees' State Insurance Act, 1948                                                                                                                                                                      |
| FCNR Account                         | Foreign Currency Non-Resident Account, and has the meaning ascribed to the                                                                                                                                    |

|                                              |                                                                                                                                                                                                                         |
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|                                              | term “FCNR(B) account” under the Foreign Exchange Management (Deposit) Regulations, 2000                                                                                                                                |
| FCRA                                         | Foreign Contribution Regulation Act, 2010                                                                                                                                                                               |
| FDI                                          | Foreign Direct Investment                                                                                                                                                                                               |
| FDI Policy                                   | Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated August 28, 2017 effective from August 28, 2017, issued by the DPIIT                                                      |
| FEMA                                         | Foreign Exchange Management Act, 1999 read with the rules and regulations thereunder                                                                                                                                    |
| FEMA Non-Debt Instruments Rules              | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India                                                                                                   |
| FEMA Regulations 2017                        | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017                                                                                                        |
| FIR                                          | First Information Report                                                                                                                                                                                                |
| FIIs                                         | 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 |
| Financial Year/ Fiscal/ FY                   | Unless stated otherwise, the period of 12 months ending March 31 of that particular year                                                                                                                                |
| FIPB                                         | Foreign Investment Promotion Board                                                                                                                                                                                      |
| FVCI                                         | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations                                                                                                                             |
| GAAP                                         | Generally Accepted Accounting Principles                                                                                                                                                                                |
| Gazette                                      | Gazette of India                                                                                                                                                                                                        |
| Gol or Government or Central Government      | Government of India                                                                                                                                                                                                     |
| GST                                          | Goods and service tax                                                                                                                                                                                                   |
| HUF                                          | Hindu Undivided Family                                                                                                                                                                                                  |
| IAMAI                                        | Internet & Mobile Association of India                                                                                                                                                                                  |
| ICAI                                         | The Institute of Chartered Accountants of India                                                                                                                                                                         |
| ICSI                                         | The Institute of Company Secretaries of India                                                                                                                                                                           |
| IFRS                                         | International Financial Reporting Standards                                                                                                                                                                             |
| IFSC                                         | Indian Financial System Code                                                                                                                                                                                            |
| IPC                                          | Indian Penal Code, 1860                                                                                                                                                                                                 |
| IPO                                          | Initial Public Offering                                                                                                                                                                                                 |
| Income Tax Act / IT Act                      | The Income Tax Act, 1961                                                                                                                                                                                                |
| India                                        | Republic of India                                                                                                                                                                                                       |
| Ind AS / India Accounting Standards          | Indian Accounting Standards referred to in the Companies Act and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015                                |
| Indian GAAP                                  | Generally Accepted Accounting Principles in India                                                                                                                                                                       |
| IRDAI                                        | Insurance Regulatory and Development Authority of India                                                                                                                                                                 |
| ISIN                                         | International Securities Identification Number                                                                                                                                                                          |
| ISO                                          | International Organization for Standardization                                                                                                                                                                          |
| IST                                          | Indian Standard Time                                                                                                                                                                                                    |
| IT                                           | Information Technology                                                                                                                                                                                                  |
| ITeS                                         | Information technology enabled services                                                                                                                                                                                 |
| LIBOR                                        | London Interbank Offered Rate                                                                                                                                                                                           |
| Listing Agreement / Equity Listing Agreement | The agreement to be entered into between our Company and the Stock Exchange in relation to listing of the Equity Shares on such Stock Exchange                                                                          |
| Listing Regulations                          | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                                                                                                              |
| MCA                                          | Ministry of Corporate Affairs                                                                                                                                                                                           |
| MICR                                         | Magnetic Ink Character Recognition (nine-digit code as appearing on a cheque leaf)                                                                                                                                      |
| Million                                      | Equivalent to Ten lakhs                                                                                                                                                                                                 |
| MNCs                                         | Multi-national companies                                                                                                                                                                                                |
| MoRD                                         | Ministry of Rural Development                                                                                                                                                                                           |

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MSDE                           | Ministry of skill development and entrepreneurship                                                                                                                                                                                                                                                                                                                                                                                                                |
| MSME                           | Micro, small and medium enterprises                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Mutual Fund(s)                 | Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                                                                                                                         |
| N/A                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| NACH                           | National Automated Clearing House                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| NAV                            | Net Asset Value                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| NASSCOM                        | National association of software and services companies                                                                                                                                                                                                                                                                                                                                                                                                           |
| NECS                           | National Electronic Clearing Service                                                                                                                                                                                                                                                                                                                                                                                                                              |
| NEFT                           | National Electronic Fund Transfer                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Net Tangible Assets            | The sums of all net assets, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India                                                                                                                                                                                                                                                                                                    |
| NPCI                           | National Payments Corporation of India                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Notified Sections              | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect                                                                                                                                                                                                                                                                                                                                                            |
| NRE Account                    | Non-Resident External Account                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NRI                            | Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955                                                                                                                                                 |
| NRO Account                    | Non-Resident Ordinary Account                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NSDL                           | National Securities Depository Limited                                                                                                                                                                                                                                                                                                                                                                                                                            |
| NSE                            | The National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                                                                                                      |
| OCB or 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 trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer |
| O&M                            | Operation & maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| OSP                            | Other Service Provider                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| p.a.                           | Per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| P/E Ratio                      | Price/Earnings Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| PAN                            | Permanent Account Number allotted under the Income Tax Act                                                                                                                                                                                                                                                                                                                                                                                                        |
| PAT                            | Profit After Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Payment of Bonus Act           | The Payment of Bonus Act, 1965                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Payment of Wages Act           | The Payment of Wages Act, 1936                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| RBI                            | The Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| RBI Act                        | The Reserve Bank of India Act, 1934                                                                                                                                                                                                                                                                                                                                                                                                                               |
| RTA                            | Registrars to an Issue and Share Transfer Agents                                                                                                                                                                                                                                                                                                                                                                                                                  |
| RTGS                           | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Regulation S                   | Regulation S under the U.S. Securities Act                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Rule 144A                      | Rule 144A under the U.S. Securities Act                                                                                                                                                                                                                                                                                                                                                                                                                           |
| SCRA                           | Securities Contracts (Regulation) Act, 1956                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SCRR                           | Securities Contracts (Regulation) Rules, 1957                                                                                                                                                                                                                                                                                                                                                                                                                     |
| SEBI                           | Securities and Exchange Board of India constituted under the SEBI Act                                                                                                                                                                                                                                                                                                                                                                                             |
| SEBI Act                       | Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                                                                                                                                                                                                                  |
| SEBI AIF Regulations           | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012                                                                                                                                                                                                                                                                                                                                                                           |
| SEBI Depositories Regulations  | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996                                                                                                                                                                                                                                                                                                                                                                          |
| SEBI FPI Regulations           | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019                                                                                                                                                                                                                                                                                                                                                                            |
| SEBI ICDR Regulations          | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018                                                                                                                                                                                                                                                                                                                                                           |
| SEBI LODR Regulations          | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                                                                                                                                                                                                                                                                                                                                                        |

|                                                     |                                                                                                                                                 |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| SEBI Merchant Bankers Regulations                   | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992                                                                     |
| SEBI RTA Regulations                                | Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations, 1993                                       |
| SEBI Takeover Regulations / SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                                      |
| SEBI VCF Regulations                                | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations                |
| Sec                                                 | Section                                                                                                                                         |
| SGST                                                | State Goods and Services Tax Act, 2017                                                                                                          |
| U.S. Securities Act                                 | U.S. Securities Act of 1933, as amended                                                                                                         |
| SICA                                                | Sick Industrial Companies (Special Provisions) Act, 1985                                                                                        |
| State Government                                    | The government of a state in India                                                                                                              |
| STT                                                 | Securities Transaction Tax                                                                                                                      |
| TAN                                                 | Tax deduction account number                                                                                                                    |
| TDS                                                 | Tax Deducted at Source                                                                                                                          |
| UGST                                                | Union Territory Goods and Services Tax Act, 2017                                                                                                |
| U.S./ USA/ United States                            | United States of America                                                                                                                        |
| US GAAP                                             | Generally Accepted Accounting Principles in the United States of America                                                                        |
| USD/ US\$                                           | United States Dollars                                                                                                                           |
| VCFs                                                | Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be |

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

### **Certain Conventions**

Unless otherwise specified or the context otherwise requires, all references in this Prospectus to “India” are to the Republic of India, all references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. all references to the “US”, “USA” or “United States” are to the United States of America.

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

### **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, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “*Financial Statements*” beginning on page 137 of this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI ICDR Regulations.

In this Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Prospectus.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Financial Information for Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018 are included in this Prospectus.

There are significant differences between Indian GAAP, IND AS, U.S. GAAP and IFRS. The reconciliation of the financial information to IND AS or IFRS or U.S. GAAP has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Prospectus, including in sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21, 90 and 159 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

### **Currency and Units of Presentation**

All references to: “Rupees”, “₹”, “Rs.”, “INR” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “Industry Overview” throughout this Prospectus all figures have been expressed in Lakhs.

Except where specified, including in the section titled “Industry Overview”, Our Company has presented certain numerical information in this Prospectus in “Lakhs/ Lacs/ Lac” units. One lakh represents ₹1,00,000. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding off.

## **Exchange Rates**

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

## **Definitions**

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page I of this Prospectus. In the section titled “*Provisions of the Articles of Association*” beginning on page 228 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **Industry and Market Data**

Unless stated otherwise, industry and market data and various forecasts used throughout this Prospectus have been obtained and derived from Data Security Council of India (DSCI) Reports and Government 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. Accordingly, no investment decision should be made on the basis of this information. Although, we believe that the industry and market data used in this Prospectus is reliable, neither we nor the Lead Manager to the Issue nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section “*Risk Factors*” on page 21 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, we have included in the section titled “*Basis for Issue Price*” beginning on page 72 of this Prospectus, information pertaining to the peer group companies wherein we have mentioned that there exists no listed peer companies in the industry/business to which our Company belongs.

## FORWARDLOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Macro-economic conditions in India could have a material adverse effect on our business, results of operations and financial condition;
- Increased Competition in our Industry;
- Failure to successfully upgrade our portfolio of our services, from time to time;
- Reduction in demand for our services;
- Foreign exchange fluctuations;
- Changes in general laws, regulations and taxes;
- Our inability to retain our management team and skilled personnel;
- Company’s ability to successfully implement its growth strategy and expansion plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Changes in laws and regulations of the industry in which we operate
- Our inability to continue getting empanelled with CERT-In and NICS
- Our Inability to upgrade our technological Tools to conduct audit or qualify for empanelment with various organizations
- The performance of the information technology and IT Audit sector in India and globally;
- Our ability to manage risks that arise from above factors;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and section titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 21 and 159 respectively of this Prospectus.

Forward looking statements reflects views as of the date of Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimate and could be materially different from what actually occurs in the future. Neither Our Company, our Directors, Promoters Lead Manager, Underwriter nor any of their respective affiliates or advisors have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Lead Manager and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.



## SECTION II - OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Prospectus or Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including "Risk Factors", "Objects of the Issue", "Our Business", "Industry Overview", "Capital Structure", "The Issue", "Financial Statements", "Outstanding Litigation and Material Developments", "Issue Procedure" and "Provisions of the Articles of Association" on pages 21, 65, 90, 78, 55,44 , 137, 169, 196 and 228 respectively.

### PRIMARY BUSINESS OF THE COMPANY

Our Company was originally incorporated in the year 2000 and is headquartered in Mumbai with its branch office in Delhi. It is an ISO 9001:2015 and ISO 27001:2013 certified Company.

Our Company primarily is an Information Security Auditing and Consulting Company which broadly covers the area of Information Systems Audit, Information Security, Cyber Security, IT Assurance & Compliance and, IT Governance

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

The Industry in which the Company operates is uniquely placed. It covers the areas of Cyber Security, Information Technology and Security, The Industry is regulated and governed by the Ministry of Electronics and Information Technology of the Government of India. CERT-In is an institution under the Ministry which is empowered to implement and execute the policies of the Ministry and the Government.

### NAME OF PROMOTERS

The Promoters of our Company are:

Mr. Anjay Ratanlal Agarwal  
Mr. Venugopal Madanlal Dhoot  
Mrs. Ruchi Anjay Agarwal

### SIZE OF THE ISSUE

This is an Initial Public Issue of 24,36,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹42 per Equity Share (including a share premium of ₹32 per Equity Share) aggregating up to ₹1023.12 Lakhs (**"The Issue"**), out of which 1,23,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹42 per Equity Share aggregating up to ₹51.66 lakhs will be reserved for subscription by the market maker to the issue (**the "Market Maker Reservation Portion"**). The Issue less Market Maker Reservation Portion i.e., Issue of up to 23,13,000 Equity Shares of face value of ₹ 10 each, at an issue price of ₹42 per Equity Share for cash, aggregating up to ₹971.46 lakhs are hereinafter referred to as the "Net Issue". The Public Issue and Net Issue will constitute 28.49% and 27.05% respectively of the post-issue paid-up Equity Share capital of our Company.

### OBJECTS OF THE ISSUE

We intend to utilize the Net Proceeds of the Issue ("Net Proceeds") of ₹1023.12 Lakhs for financing the objects as set forth below:

| Sr. No. | Particulars                                                                     | Amt. (₹ in Lakhs) |
|---------|---------------------------------------------------------------------------------|-------------------|
| 1.      | Expansion and development of business operations across various cities in India | 554.30            |
| 2.      | Working Capital Requirements (including Bank Guarantee)                         | 392.77            |
| 3.      | Issue-related expenses                                                          | 69.97             |
| 4.      | General Corporate purposes                                                      | 6.08              |
|         | <b>Total</b>                                                                    | <b>1023.12</b>    |

## PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Set forth is the Pre-Issue shareholding of our Promoters and Promoter Group as a percentage of the paid-up share capital of the Company:

| Name                  | Pre-Issue            |                                      |
|-----------------------|----------------------|--------------------------------------|
|                       | No. of Equity Shares | % of Pre-Issue paid up Equity Shares |
| <b>PROMOTERS</b>      |                      |                                      |
| Anjay Agarwal         | 16,85,200            | 27.55                                |
| Ruchi Agarwal         | 12,80,000            | 20.93                                |
| Venugopal Dhoot       | 7,35,000             | 12.02                                |
| <b>PROMOTER GROUP</b> |                      |                                      |
| Shobha Dhoot          | 7,35,000             | 12.02                                |
| Anirudh Dhoot         | 7,35,000             | 12.02                                |
| Vineet Dhoot          | 7,35,000             | 12.02                                |
| Kanak Agarwal         | 1,05,000             | 1.72                                 |
| Archana Agarwal       | 1,05,000             | 1.72                                 |
| <b>Total</b>          | <b>61,15,200</b>     | <b>100.00%</b>                       |

## SUMMARY OF RESTATED FINANCIAL STATEMENT

Following are details as per the Restated Financial Statements for the financial years ended on 31<sup>st</sup>March, 2020, 31<sup>st</sup>March, 2019 and 31<sup>st</sup>March,2018:

(₹ in Lakhs)

| Particulars                             | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|-----------------------------------------|----------------|----------------|----------------|
| Share Capital                           | 56.00          | 56.00          | 56.00          |
| Net worth                               | 1,020.28       | 670.73         | 484.96         |
| Total Revenue                           | 1,424.74       | 1,047.49       | 1,040.00       |
| Profit After Tax                        | 369.80         | 206.02         | 99.97          |
| Earnings per share                      |                |                |                |
| - Pre-Bonus                             | 66.04          | 36.79          | 17.85          |
| - Post-Bonus                            | 6.29           | 3.50           | 1.70           |
| NAV per share (in ₹)                    | 182.19         | 119.77         | 86.60          |
| Total Borrowings (as per Balance Sheet) | -              | 54.36          | 34.13          |

## AUDITORS' QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS.

The Restated Financial Statements do not contain any Qualifications requiring adjustments.

## SUMMARY OF OUTSTANDING LITIGATIONS

| Sl. No.    | Nature of Litigation/Dispute                                                                                                                                                                                                                                                                                                                                                                                                      | Status                                                |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>I.</b>  | <b>CASES FILED BY THE COMPANY</b><br><b>Civil Cases</b>                                                                                                                                                                                                                                                                                                                                                                           |                                                       |
| <b>I</b>   | <p>i. Petition No.: 308/2018<br/>Court: Micro &amp; Small Enterprises Facilitation Council, Mumbai Region<br/>Against: Sangli Miraj Kupwad Municipal Corporation (SMKC)</p> <p>Matter: Request for arbitration by Divisional Commissioner to act an Arbitrator &amp; Conciliator towards non-receipt and delay in payment including return of the security deposit aggregating an amount of ₹74.29 Lakhs, including interest.</p> | Matter to come for hearing in due course              |
|            | <p>ii. Civil Suit No.: 84/2018<br/>Court: Civil Judge, Senior Division, Kolhapur, at Kolhapur<br/>Against: Kolhapur Municipal Corporation (KMC)</p> <p>Matter: For an amount of ₹40.00 Lakhs payable as compensation / damages for breach of contract as KMC had cancelled the tender after execution of the contract in favour of our Company. The matter shall come up for hearing in due course.</p>                           | Matter to come for hearing in due course              |
| <b>II.</b> | <b>REVENUE PROCEEDINGS AGAINST THE COMPANY</b><br><b>Direct Tax proceedings against the Company</b>                                                                                                                                                                                                                                                                                                                               |                                                       |
|            | <p>i. AY – 2014-15:<br/>Matter: CIT-2, Mumbai has filed an Income Tax Appeal No. ITXA (L) 2826 of 2019 of 2019 before the Bombay High Court challenging the order passed by the Income Tax Appellate Tribunal (ITAT) dated July 29, 2019 dismissing the appeal of the revenue. The matter pertains to disputed claim of ₹ 297 Lakhs pertaining to the professional fees being paid by our Company to foreign parties.</p>         | The matter shall come up for admission in due course. |
|            | <p>ii. AY – 2012-13:<br/>Matter: CIT-2, Mumbai has filed an Income Tax Appeal No. ITXA (L) 2408 of 2019 before the Bombay High Court challenging the order passed by the Income Tax Appellate Tribunal (ITAT) dated May 17, 2019 dismissing the appeal of the revenue. The matter pertains to disputed claim of ₹ 317 Lakhs pertaining to the professional fees being paid by our Company to foreign parties.</p>                 | The matter shall come up for admission in due course. |
|            | <p>iii. AY – 2009-10:<br/>Matter: CIT-2, Mumbai has filed an Income Tax Appeal No. ITXA (L) 2490 of 2019 before the Bombay High Court challenging the order passed by the Income Tax Appellate Tribunal (ITAT) dated May 17, 2019 dismissing the appeal of the revenue. The matter pertains to disputed claim of ₹ 125 Lakhs pertaining to the professional fees being paid by our Company to foreign parties.</p>                | The matter shall come up for admission in due course. |

- III. SEBI conducted an investigation in the scrip of DCB Bank Limited (the "DCB") for insider trading for the period from September 19, 2015 to October 13, 2015 (the "Investigation Period") and accordingly, SEBI issued show cause notice (the "SCN") dated September 3, 2020 against our Independent Director, Mr. Rajesh Chandra Verma under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of Securities and Exchange Board of India Act, 1992 (the "SEBI Act") in respect of violation of regulation 4(1) SEBI (PIT) Regulations, 2015 (the "SEBI PIT Regulations"), 6(1) SEBI PIT Regulations, 12A(d) of SEBI Act, 12A(e) of SEBI Act, 15G(i) of SEBI Act, 15HB of SEBI Act in relation to trading executed by Mr. Rajesh Chandra Verma in the scrip of DCB during the Investigation Period, while holding unpublished price sensitive information (the "UPSI") in the capacity of 'designated person' as per code of conduct of DCB by virtue of his position at DCB as 'Head - Treasury and Correspondent Banking

Department'. Further, it also has been alleged that, Mr. Rajesh Chandra Verma has violated the clause 6 of 'Minimum Standard for Code of Conduct to Regulate, Monitor and Report Trading by Insiders' as specified in schedule B read with Regulation 9(1) of SEBI PIT Regulations. Further, it has also been alleged that, Mr. Rajesh Chandra Verma averted unlawful loss of Rs. 34,25,077/- from the aforementioned trading executed by him in the scrip of DCB Bank. SCN has directed Mr. Rajesh Chandra Verma to show cause as to why appropriate directions under 11(1), 11(4), 11(4A), 11B(1), 11B(2) and 15G(i) of SEBI, 1992 should not be initiated against him for the loss averted by him for his trades executed in the scrip of DCB, including disgorgement of Rs. 34,25,077/-. However, Mr. Rajesh Chandra Verma is in process submitting his reply to SEBI in respect of SCN.

For detailed information on Outstanding Litigations stated in this Prospectus; please refer to section titled "Outstanding Litigation and Material Developments" on page 169 of this Prospectus.

## RISK FACTORS

In relation to risk involving or Company, please refer "Risk Factors" on page 21 of this Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES

The Company has the following Contingent Liabilities for which no provision has been made in the books of accounts. (₹In Lakhs)

| Particulars                                                 | For the year ended March 31 |               |               |
|-------------------------------------------------------------|-----------------------------|---------------|---------------|
|                                                             | 2020                        | 2019          | 2018          |
| <b>Claims against the Company not acknowledged as debts</b> |                             |               |               |
| Bank Guarantee                                              | 203.75                      | 181.65        | 200.54        |
| <b>Total</b>                                                | <b>203.75</b>               | <b>181.65</b> | <b>200.54</b> |

For further details, see section titled "Financial Statements-Annexure XXII" on page 152 of this Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

The details of related party transaction as indicated in our Restated Financial Statements are as follows:

### I. List of Related Parties

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

#### A. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:

| Sr. No. | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---------|----------------|----------------|----------------|
| -       | -              | -              | -              |

#### B. Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture:

| Sr. No. | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---------|----------------|----------------|----------------|
| -       | -              | -              | -              |

#### C. Key Managerial Personal (KMP)

| March 31, 2020  | March 31, 2019  | March 31, 2018  |
|-----------------|-----------------|-----------------|
| Anjay Agarwal   | Anjay Agarwal   | Anjay Agarwal   |
| Venugopal Dhoot | Venugopal Dhoot | Venugopal Dhoot |
| Ruchi Agarwal   | Ruchi Agarwal   | Ruchi Agarwal   |

#### D. Enterprises over which any person described in (A) or (B) is able to exercise significant influence: (This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise).

| March 31, 2020 | March 31, 2019 | March 31, 2018 |
|----------------|----------------|----------------|
| -              | -              | -              |
| -              | -              | -              |

**E. Additional Related parties as per Companies Act, 2013:**

| March 31, 2020 | March 31, 2019 | March 31, 2018 |
|----------------|----------------|----------------|
| -              | -              | -              |
| -              | -              | -              |

**2. Details of transaction with related parties**

(₹ in Lakhs)

| Name                | Relationship | Nature of Transaction           | Amount of transaction in |         |         |
|---------------------|--------------|---------------------------------|--------------------------|---------|---------|
|                     |              |                                 | 2019-20                  | 2018-19 | 2017-18 |
| Mr. Anjay Agarwal   | Director     | Finance - Loan given to Company | -                        | 54.36   | 34.13   |
|                     |              | Remuneration                    | 75.00                    | 78.50   | 54.00   |
| Mr. Venugopal Dhoot | Director     | Remuneration                    | 75.00                    | 75.00   | 70.00   |
| Mrs. Ruchi Agarwal  | Director     | Remuneration                    | 10.00                    | 10.00   | 10.00   |

For details of the related party transactions, as per the requirements under AS 18 'Related Party Disclosures' and as reported in the Restated Financial Information refer "Financial Statements– Annexure XXVI on page 155.

**FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the Promoters, member of Promoter Group, the Director of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this Prospectus.

**WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS**

The weighted average price of acquisition of Equity shares by our Promoters in last one year are as follows:

| Name of Promoter | No. of Shares | Weighted Average Cost (₹) |
|------------------|---------------|---------------------------|
| Anjay Agarwal    | 15,45,200     | 5.85                      |
| Venugopal Dhoot  | 6,65,000      | -                         |
| Ruchi Agarwal    | 11,60,000     | 0.72                      |

**AVERAGE COST OF ACQUISITION OF SHARES**

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

| Name of Promoter | No. of Shares | Average Cost of Acquisition (₹ Per share) |
|------------------|---------------|-------------------------------------------|
| Anjay Agarwal    | 16,85,200     | 6.19                                      |
| Venugopal Dhoot  | 7,35,000      | 9.52                                      |
| Ruchi Agarwal    | 12,80,000     | 1.72                                      |

**PRE-IPO PLACEMENT**

Our Company has not placed any Pre-IPO Placement.

## ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH (BONUS SHARES)

Set forth are the details of Equity shares issued for consideration other than cash during last one year:

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reasons for Allotment | Benefits Accrued to our Company |
|-------------------|-------------------------|----------------|-----------------|-----------------------|---------------------------------|
| August 7, 2020    | 53,20,000               | 10             | Nil             | Bonus Allotment       | Expansion of capital            |

## SPLIT / CONSOLIDATION

Our Company has not made any split or consolidation of its Equity Shares during the one (1) year preceding from the date of this Prospectus.

### SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk and you should carefully consider all the information in the Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. If any, or some combination, of the following risks actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. 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. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*To obtain a better understanding of our business, you should read this section in conjunction with other chapters of the Prospectus, including the chapters titled “Our Business”, Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on page 90, 159 and 137 respectively of this Prospectus, together with all other financial information contained in the Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statement for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 as included in the section titled “Financial Statements” on page 137 of this Prospectus.*

#### INTERNAL RISKS

***1. If we are not able to obtain, renew or maintain our statutory and regulatory empanelment, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.***

We require certain statutory and regulatory empanelment, registrations and approvals to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. Further, these licenses, registrations and approvals are subject to several conditions, and we cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Failure by us to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our operations and may have a material adverse effect on our business. For further details on the licenses obtained by us and licenses for which renewal applications or application for change of names have been made, please see section titled “Government and Other Key Approvals” on page 174 of this Prospectus.

***2. SEBI has issued show cause notice to one of Independent Director of our Company, Mr. Rajesh Chandra Verma in relation to trading executed by him in the scrip of DCB Bank Limited.***

SEBI conducted an investigation in the scrip of DCB Bank Limited (the "DCB") for insider trading for the period from September 19, 2015 to October 13, 2015 (the "Investigation Period") and accordingly, SEBI issued show cause notice (the "SCN") dated September 3, 2020 against our Independent Director, Mr. Rajesh Chandra Verma under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of Securities and Exchange Board of India Act, 1992 (the "SEBI Act") in respect of violation of regulation 4(1) SEBI (PIT) Regulations, 2015 (the "SEBI PIT Regulations"), 6(1) SEBI PIT Regulations, 12A(d) of SEBI Act, 12A(e) of SEBI Act, 15G(i) of SEBI Act, 15HB of SEBI Act in relation to trading executed by Mr. Rajesh Chandra Verma in the scrip of DCB during the Investigation Period, while holding unpublished price sensitive information (the "UPSI") in the capacity of 'designated person' as per code of conduct of DCB by virtue of his position at DCB as 'Head - Treasury and Correspondent Banking Department'. Further, it also has been alleged that, Mr. Rajesh Chandra Verma has violated the clause 6 of 'Minimum Standard for Code of Conduct to Regulate, Monitor and Report Trading by Insiders' as specified in schedule B read with Regulation 9(1) of SEBI PIT Regulations. Further, it has also been alleged that, Mr. Rajesh Chandra Verma averted unlawful loss of Rs. 34,25,077/- from the aforementioned trading executed by him in the scrip of DCB Bank. SCN has directed Mr. Rajesh Chandra Verma to show cause as to why appropriate directions under 11(1), 11(4), 11(4A), 11B(1), 11B(2) and 15G(i) of SEBI, 1992 should not be initiated against him for the loss averted by him for his trades executed in the scrip of DCB, including disgorgement of Rs. 34,25,077/-. However, Mr. Rajesh Chandra Verma is in process submitting his reply to SEBI in respect of SCN. For further details, see "Outstanding Litigations and Material Developments" on page 169"

**3. Our Company, its Directors, its Promoters are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Company, its Directors, its Promoters are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums.

Mentioned below are the details of the proceedings involving our Company, its Directors, its Promoters as on the date of this Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on 10<sup>th</sup> August 2020.

| Sr. No. | Nature of Case                                                        | No. of Outstanding cases | Amount in dispute/demanded to the extent quantifiable (₹ In Lakhs) |
|---------|-----------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------|
| I.      | <b>Litigations filed by our Company</b>                               |                          |                                                                    |
|         | Civil Cases                                                           | 2                        | 114.29                                                             |
| II.     | <b>Litigations filed against the Company</b>                          |                          |                                                                    |
|         | Revenue Proceedings filed against our Company<br>- Direct Tax Matters | 3                        | 739.00                                                             |
| III.    | <b>Showcase Notice against Independent Director</b>                   | 1                        | 34.25                                                              |

There can be no assurance that these litigations will be decided in favour of the Company, its Directors respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the section titled "Outstanding Litigation and Material Developments" on page no. 169 of this Prospectus.



**4. Information Technology (IT) Audit requirements from Government organizations, Statutory Bodies, PSUs, Municipalities etc. are typically awarded to us on satisfaction of prescribed pre-qualification criteria, on being empanelled and/or after following a competitive bidding process. Our business and financial condition may be adversely affected if the orders are not awarded to us.**

Our company provides IT Audit services mainly to Government organizations, Statutory Bodies, PSUs, Municipalities etc. We receive orders from these organizations through a competitive bidding process which involves certain pre-qualification criteria like experience, performance, CERT-In empanelment etc. In selecting the auditors/service providers, our clients generally limit the tender to auditors having pre-qualification criteria, although price competitiveness of the bid is the most important selection criteria. The growth of our business mainly depends on our ability to obtain new orders for our services. Generally, it is very difficult to predict whether and when we will be awarded a new order. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of orders, commencement of work completion of orders in the scheduled time period, receiving completion of work order certificate from our clients and final realization of funds. If we fail to qualify or are unable to obtain new orders, our business and financial conditions could be adversely affected.

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

Modernization and technology up-gradation is essential to reduce costs, increase the output and deliver appropriate results. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. However, our existing testing tools or software are with latest technology and we strive to keep our technology tools and software in line with the latest technological standards. But in future we may be required to implement new technology or upgrade the software and other equipment employed by us. Further, the costs in upgrading our technology may be significant which could affect our finances and operations.

**6. Our work with government clients exposes us to additional risks inherent in the government contracting environment.**

Our clients include governmental entities such as ministries of the Central Government and national as well as state level public sector undertakings. Our government work carries various risks inherent in the government contracting process, which may affect our operating profitability. These risks include, but are not limited to the following:

- Government contracts are often subject to more extensive scrutiny and publicity than contracts with commercial clients. Negative publicity related to our government contracts, regardless of its accuracy, may further damage our business by affecting our ability to compete for new contracts among governmental and commercial entities;
- participation in government contracts could subject us to stricter regulatory requirements which may increase our compliance costs;
- delays in payment due to time taken to complete internal processes;
- political and economic factors such as pending elections, changes in leadership among key governmental decision makers, revisions to governmental tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- terms and conditions of government contracts tend to be more onerous and are often more difficult to negotiate than those for commercial contracts; and
- government contracts may not include a cap on direct or consequential damages, which could cause additional risk and expense in these contracts.

**7. Risk related to unionizing of employees/labour (e.g., event of protests or demonstrations causing disruption to business activities)**

As on date of Draft Prospectus, we had 64 employees working at our offices. Although we have not experienced any labour disruptions in the past and do not have any unionized employees, there can be no assurance that our employees will not unionize or that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in

increased salaries and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations.

**8. *Impact of Covid-19 pandemic to the business.***

Due to COVID-19 pandemic, the Government of India as well as State Governments have imposed lockdown of various levels to encourage social distancing and prevent spread of coronavirus which has had a major impact across all industries in India. Our Company operates in service industry and has been successful in implementing work from home which has reduced the impact of pandemic on our operations. However, our business growth is dependent on tenders floated by Government, PSUs and other Statutory Organizations. Due to pandemic there could be delay by these entities in floating tenders due to which future growth, financials and cash flows of our Company may be impacted.

**9. *Risk related to procurement of specialized talent to carryout highly skilled tasks (availability).***

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The market for skilled employees is competitive, and the process of hiring employees with the necessary skills requires the diversion of significant time and resources. The specialized skills we require can be difficult and time-consuming to acquire and develop and, as a result, such skilled personnel could be in short supply. Competition remains intense for such qualified employees. The loss of the services of our senior management or any key managerial personnel and our inability to locate suitable or qualified replacements or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels across different employee categories in future may incur additional expenses which could impact our business and have an adverse effect on our financial results and business prospects.

**10. *Risk related to high dependency of third-party tools and applications to carry out business operations (e.g., discontinuity/unavailability of software)***

Delays or outages in our information technology ("IT") systems and computer networks could have a material adverse effect on our business, financial condition and results of operations. In addition, we are dependent on various external vendors for license of specific software / tools and also place reliance on these tools to efficient conduct of our operations and if we fail to fulfill their contractual obligations, it could have a material adverse effect on our business, financial condition and results of operations.

**11. *We may not be able to secure new contracts if we are unable to issue the requisite performance guarantees.***

We are usually required to furnish our customers with performance guarantees as security for the fulfilment of our contractual obligations to procure business through tenders. In order for us to secure performance guarantees, banks and financial institutions review, among other things, our financial standing and creditworthiness. Generally, we arrange for banks to issue performance guarantees to our clients from our available banking facilities. If we do not have available banking facilities to issue the performance guarantees, we approach other banks or financial institutions to issue the performance guarantee. While we have been able to procure performance guarantees for new contracts to date, in the event that we are unable to do so and we are unable to satisfy the financial requirements prescribed by banks and financial institutions, we will not be able to procure the requisite performance guarantees and as a result, we may be unable to secure new contracts, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

**12. *We rely on information technology systems, networks and infrastructure, and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our business and operations.***

We have implemented various IT solutions and tools to cover key areas of our operations. Our business is also technology driven, and we rely heavily on IT software and networks and related infrastructure. As a result, our business operations and the quality of our services depend significantly on the efficient and uninterrupted operation and reliability of our information technology systems, tools, networks and related infrastructure both internal and external. For instance, a failure in technology including technical error/glitches, server breakdown

can lead to interrupted bidding, and could even lead to cancellation of bids which may result into initiation of litigation proceedings, other adverse results and could adversely affect our financial condition. In spite of regular checks and tests, our systems may be vulnerable to interruption and damage as a result of natural disasters, power loss, technical glitches, undetected errors or viruses in our software, computer viruses or loss of electronically stored data, hardware damage, disruption in communications access or infrastructure, electronic intrusion attempts, break-ins, sabotage, hacking, vandalism and other similar events which may result in cancellation of e-auctions/events. There can be no certainty that we will be able to eliminate or alleviate the risks arising from such contingencies. In addition, our systems and software, including our website, secure sockets layer encryption, firewall and IPS may contain undetected errors, defects or bugs, which we may not be able to detect and repair in time or in a cost-effective manner, or at all.

Any damage to or failure of our systems could lead to loss of data or interruptions or delays, thereby impairing our ability to effectively provide our services and could have a material adverse effect on our business, financial condition and results of operations.

**13. *Our revenues though largely well-diversified across all industry sectors; we do have medium-term contractual arrangements with our clients along with many clients being repeat customers year-on-year. The loss of any one or more of our clients or failure to procure repeat orders could have a material effect on our business operations, financial condition and profitability.***

Hence our revenues have been and shall continue to be dependent on large number of clients across all industry and business sectors. For the financial year ended 31<sup>st</sup>March, 2020, 31<sup>st</sup>March, 2019 and 31<sup>st</sup>March, 2018 our top ten clients accounted for approximately 83.22%, 82.59% and 92.51% respectively of our revenue from operations. Further, we currently do not have long-term contractual arrangements with clients and conduct business with them on the basis of tender that are placed from time to time. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Demand for our services is based on client's requirements, their preferences and also considering the price, our clients may opt for our competitors. Any loss of client base, out of our existing clients, will impact our overall sales, resulting in decline in our revenues.

While we are constantly striving to increase our client base and reduce dependence on any particular client, there is no assurance that we will be able to broaden our client base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major clients.

**14. *We do not own our Delhi office which we have taken on leave and license basis. Any termination of agreement may require us to vacate such premises and adversely affect our business operations.***

Our Delhi office is taken on leave and license and the agreement is valid till 14<sup>th</sup>May, 2021. If the leave and license agreement under which we occupy the premises is not renewed on terms and conditions that are favorable to us, or at all, we may suffer a disruption in our operation which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with conditions of the leave and license, the licensor may terminate the leave and license, which could have an adverse effect on our operations and there can be no assurance that renewal of leave and license agreement with the licensor will be entered into. In the event of non-renewal of leave and license, we may be required to shift our office to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. For more details on property taken on lease by our Company, please refer section "Leave and License Properties" in the chapter titled "Our Business" beginning on page 90 of this Prospectus.

**15. *If we fail to keep our technical knowledge, process to conduct audit and outcome of our audit confidential, we may suffer loss of reputation, competitive advantage or it may negatively impact the overall implementation of audit.***

We possess extensive technical knowledge about our services and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights such as patent registration or design registration. Our

technical knowledge and process to conduct audit or identify threats is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Further, we conduct audit of highly sensitive organisations such as Defence, Banking, shipping and ports, regulatory authorities etc. and outcome of our audit is confidential. If certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the audit process such leakage could adversely affect such critical programmes and in hand affect our goodwill.

A significant number of our employees have access to confidential information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements, we cannot guarantee that we will be able to successfully enforce such agreements.

In the event that the confidential or technical information in respect of our services or clients or business becomes available to third parties or to the general public any competitive advantage we may have over other companies in this sector could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology / procedures to detect threats, it may be difficult, expensive or impossible for us to obtain necessary legal protection.

Consequently, any leakage of confidential or technical information of our clients could have an adverse effect on our business, results of operations, financial condition and future prospects of our Company and our clients. Further, we may lose our licences, empanelment and our promoters and directors may face imprisonment.

***16. We may be liable to our clients for damages caused by system failures, disclosure of confidential information or data security breaches, which could harm our reputation and cause us to lose customers.***

Our audits involve verification of systems that are critical to the operations of our clients' businesses and benefits to our clients that may be difficult to quantify. In addition, we often have access to, or are required to collect and store, confidential customer data. It is critical to our business that our infrastructure remains secure and is perceived by clients to be secure. Breaches of our security measures or any accidental loss, inadvertent disclosure or unapproved dissemination of confidential client data could expose us, our clients or the individuals affected to a risk of loss or misuse of this information, or cause interruptions in our operations. We may be required to expend capital and other resources to protect against such security breaches, to alleviate problems caused by or to investigate such breaches, all of which could subject us to liability, damage our reputation and diminish the value of our brand name.

Although we attempt to limit our contractual liability for consequential damages in rendering our services, some of our agreements do not limit our potential liability for breaches of confidentiality, intentional infringement of intellectual property rights of third parties, non-compliance with applicable laws, fraud, breaches due to gross negligence or wilful misconduct, damages connected to compliance recall caused as a result of our negligence and we cannot be assured that such limitations on liability will be enforceable in all cases, or that they will otherwise protect us from liability for damages. Moreover, if any person, including any of our employees or former employees or sub-contractors, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our clients for breaching contractual confidentiality provisions or privacy laws. Unauthorized disclosure of sensitive or confidential client data, whether through breach of our computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could render us liable to our customers for damages, damage our reputation and cause us to lose clients.

***17. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report or successfully manage risks and avoid fraud.***

Effective internal controls are necessary for us to deliver reliable audit reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving cybercrime and IT related frauds. There can be no assurance that deficiencies in our internal controls will not arise in the future, 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. Any inability

on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage risks and avoid fraud.

**18. Contingent liabilities could adversely affect our financial condition. Crystallization of any of these contingent liabilities may adversely affect our financial condition.**

The details of contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors were as follows:

(₹ in Lakhs)

| Particulars                                  | Restated Financial Year Ended |                |                |
|----------------------------------------------|-------------------------------|----------------|----------------|
|                                              | March 31, 2020                | March 31, 2019 | March 31, 2018 |
| <b>Contingent Liabilities:</b>               |                               |                |                |
| Letter of Credit (LCs) / Bank Guarantee (BG) | 203.75                        | 181.65         | 200.54         |
| <b>Total</b>                                 | <b>203.75</b>                 | <b>181.65</b>  | <b>200.54</b>  |

In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, please see section titled “Contingent Liabilities” under “Financial Statements” on page 152 of this Prospectus

**19. Any defects in our service could make our company liable for customer claims or regulatory actions which in turn could affect our Company’s results of operation.**

We are into service industry and have Government bodies, local authorities, PSU’s as well as private sector Companies as our clients. Our business is dependent mainly on how we maintain our relationship with our existing clients which helps to retain existing clients and to attract the new ones. Hence an unsatisfied client who may have to face any regulatory issue or whose systems are prone to threat in spite of audit conducted by us; due to our negligence may be more damaging in our business than in other businesses. Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties. In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings due to cyber-crimes, IT Frauds, spoofing etc. have been increasing in spite of strict regulations and public awareness. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Hence, we may incur significant legal expenses in defending against litigation by authorities and our clients against us. Substantial legal liability or significant regulatory action against us could have material financial effects on our Company or could even cause cancelling our empanelment with different authorities including CERT– In and NICSI and significantly harm to our reputation, which could harm our business prospects.

**20. Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution. Hence, the deployment of the Net Proceeds from the Issue which are based on our Company’s management, it will have flexibility in utilizing the Net Proceeds from the Issue.**

Our Company intends to use the Net Proceeds from the Issue for the purposes described in section titled “Objects of the Issue” on page 65 of this Prospectus. Subject to this section, our management will have broad discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds from the Issue. The funding plans are in accordance with our own estimates and have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business. Our Board will have significant flexibility in temporarily investing the Net Proceeds of the Issue. Accordingly, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of its business, increased profitability or an increase in the value of your investment.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in SEBI ICDR Regulations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in this Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

**21. *Our Promoters, Directors and Key Managerial Personnel play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key managerial personnel could adversely affect our business, operations and financial condition.***

The success of our business operations is attributable to our Promoters, Directors and key managerial personnel. We believe that our relation with our Promoters, who have rich experience in setting up business, developing markets, managing clients and handling overall businesses, has enabled us to experience growth and profitability. We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. For further details on the key managerial personnel of our Company please see section titled "Our Management" on page no. 114 of this Prospectus. We benefit from our relationship with our Promoters and Key Managerial Personnel and our success depends upon their continuing services, for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management since the induction into the Company.

Further, one of our Promoters is an investor in another company unrelated to our business which has been not been doing business for the last few years. If the Promoters divert their attention to other businesses or companies at a later stage, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Further, we also depend significantly on our Key Managerial Persons for executing their day to day activities. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him/them easily or at all and any such loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**22. *We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations***

We are subject to credit risk through our trade receivables due from our clients. By their nature, trade receivables involve risks, including the risk of non-performance by counterparties. Further, the failure of any of our clients to make timely payments could affect our profitability and liquidity and decrease capital resources available to us for other uses. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our clients that adversely affects their ability to pay us may in turn materially and adversely affect our cash flows, business prospects, financial condition and results of operations.

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

Our Company has entered into various transactions with our Promoter and Directors. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of

operation. For details on the transactions entered by us, please refer to chapter titled “*Related Party Transactions*” beginning on page no. 135 of the Prospectus.

**24. *There are no alternate arrangements for meeting our requirements for the Objects of the Issue.***

Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance. As on date, we have not made any alternate arrangements for meeting our requirements for the Objects of the Issue. We meet our expansion and working capital requirements through our own funds, debt and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future could result in us being unable to meet our requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not yet identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer section titled “*Objects of the Issue*” on page 65 of this Prospectus.

**25. *We may be affected by obsolescence of our intangible assets that could adversely affect our operations.***

Intangible asset obsolescence due to fast changing technology & processes could affect the Company’s operations thereby having a material adverse effect on the Company’s results of operations and financial condition. In case of obsolescence in technology tools our Company will have to make significant and unanticipated capital expenditures, which could have an adverse effect on the Company’s profitability and cash flows.

**26. *We might infringe upon the intellectual property rights of others in the process of audit, which could harm our competitive position.***

While we take care to ensure that we comply with the intellectual property rights of third party, if any, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition

**27. *Excessive reliance on our information technology systems and their failure could harm our relationship with clients, expose us to lawsuits or administrative sanctions or otherwise adversely affect our provision of service to clients and our internal operation.***

As part of our business strategy, we use high quality of information technology system to deliver our services in the best possible way. We have an exemplary track record for completion of the projects within the stipulated time period but there may be system interruptions, errors, or downtime which could result from a variety of causes including changes in technology, technology failure, changes in system etc. that may affect our business adversely.

**28. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (being Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (all of them being Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be

unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

**29. *Our insurance coverage may not adequately protect us against all material hazards and the policies do not cover all risks, specifically risks like liability risk, loss of profits and workmen's compensation. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our business could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which is not covered by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Our insurance policies do not cover all risks, specifically risks like liability risk, loss of profits and workmen's compensation, and are subject to exclusions and deductibles. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For details on the insurance policies taken by our Company, please see section titled "Our Business" on page 90 of this Prospectus.

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

After the completion of this IPO, our Promoters and Promoter Group will beneficially own 71.51% of our post-Issue equity share capital. As a result, our Promoter and Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**31. *We have relied on the industry report generated by Data Security Council of India (DSCI) which has been used for industry-related data in this Prospectus and such data has not been independently verified by us. Prospective investors are advised to understand and take adequate precaution while relying on such information.***

We have relied on an industry report titled "INDIA Cybersecurity Services Landscape" of 2020 and "Cyber Security India Market – What lies beneath" of December, 2019 published by the Data Security Council of India (DSCI), a premier industry body on data protection in India, set up by NASSCOM. The said Report, which has been used for industry related data that has been disclosed in this Prospectus, uses certain methodologies for market sizing and forecasting. We have not independently verified such data. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. Further, the above-stated Report or any other industry data or sources are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Prospectus in this context.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or



completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information. For further details, please see section titled “Industry Overview” on page 78 of this Prospectus.

**32. Any increase in our employee costs may adversely affect our margins and results.**

We have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. We may incur higher costs in the future as we continue to increase our employees. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase. Any of these factors could adversely affect our business, financial condition and results of operations.

**33. Our inability to manage our growth may disrupt our business and reduce our profitability.**

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our business. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous upgradation increases the challenges involved in financial management, retaining high quality human resources, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**34. We may not be successful in implementing our business strategies.**

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

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

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

**36. Our Company may not be able to pay dividends in the future.**

Our Company has declared and paid dividends for financial year 31<sup>st</sup>March, 2020, 31<sup>st</sup>March, 2019 and 31<sup>st</sup>March, 2018. Any dividends to be declared and paid in the future are required to be recommended by our Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all. For details pertaining to dividend declared by our Company in the past, see section titled “Dividend Policy” on page 136 of this Prospectus.

**37. The rate of interest for the loans obtained by us from the bank is variable and any increase in interest rates may adversely affect our results of operations and financial condition.**

Our Company is susceptible to changes in interest rates and the risks arising there from. Our sanction letter provides for interest at variable rates with a provision for the periodic resetting of interest rates. Further, the bank is entitled to change the applicable rate of interest depending upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. For further details of interest payable on our borrowings, please see section titled "*Financial Indebtedness*" on page 167 of this Prospectus. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

**38. *Any downgrading of our credit rating by a domestic credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.***

Our credit rating could be downgraded due to various factors, including factors which may be outside our control. Any future downgrade of our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, results of operations and financial condition.

**39. *There is no guarantee that our Equity Shares will be listed on the Stock Exchange in a timely manner or at all.***

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**40. *The requirements of being a listed company may strain our resources.***

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchange and compliances of SEBI Listing Regulations which will require us to file audited annual and unaudited half yearly and limited review reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

**41. *The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company is as under:

| Particulars     | Average Cost of Acquisition(In ₹) |
|-----------------|-----------------------------------|
| Anjay Agarwal   | 6.19                              |
| Venugopal Dhoot | 9.52                              |
| Ruchi Agarwal   | 1.72                              |

Since, the average cost of acquisition by our Promoters may be lesser than the Issue Price, investors who purchase the Equity Shares may do so at a cost that is higher than the average cost of acquisition of the Equity Shares of our Promoters.

**42. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**43. 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 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.

**RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE**

**44. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.**

There is no guarantee that our Equity Shares will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchange or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchange may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us or our shareholders;
- Future sales of the Equity Shares;
- Variations in our half yearly results of operations;

- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of nutraceutical sector companies generally;
- Performance of our competitors in our industry and the perception in the market about investments in the IT sector;
- Significant developments in the regulation of the IT Audit industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months were not subject to long term capital gains tax in India if Securities Transaction Tax ("STT") was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which were not subject to STT. The Finance Act, 2018, has now levied taxes on such long-term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a 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 for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

**46. There are restrictions on daily/weekly/monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Once listed, we would be subject to circuit breakers imposed by all stock exchange in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchange. The percentage limit on circuit breakers is set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**47. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including issuing employee stock options and exercise of employee stock options may dilute your shareholding in our Company, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other significant shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt or equity financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. We cannot assure you that we will not offer Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**48. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with Lead Managers, and through the Fixed Price Process. This price will be based on numerous factors, as described under section titled “Basis for Issue Price” on page 72 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

**49. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. The trading volume and market price of the Equity Shares may be volatile following the Issue.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the stock exchange may not develop or be sustained after the Issue. Moreover, the Issue Price will be determined through the Fixed Price Process and may not be indicative of the price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Further, the market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- half yearly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

## **EXTERNAL RISK FACTORS**

**50. *The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing

disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

**51. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

**52. *Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or regulatory environment, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations

in India, applicable to us and our business. Any significant changes in relevant cyber security regulations, laws or regulatory environment might materially impact the Company's operations and financials. Additionally, the regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in form of significant reforms from time to time. For instance, a notification issued by the Government of India in 2016 withdrawing the legal tender status of currency notes of ₹500 and ₹1,000, may have had and may continue to have an adverse effect on certain sectors of the Indian economy. Any such change in the future may require us to commit significant management resources and may require significant changes to our business practices and could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, there have been various changes and proposed changes recently in the laws and regulations relating to data protection in India. Any such changes could require us to redesign our information technology systems or redesign our digital processes to comply with such laws and regulations. We cannot assure you that we will be able to redesign such systems or processes in a cost-effective manner, or at all. Since our business depends heavily on the ability of our information technology systems and digital processes, any change in the laws or regulations relating to data protection or information technology in India could have a material adverse effect on our business, financial condition, results of operations and prospects.

The governmental and regulatory bodies in India and in other jurisdictions may notify other new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

**53. *The Gol has implemented a new national tax regime by imposing GST. Any future increases or adverse amendments to GST may adversely affect the overall tax efficiency of our Company.***

The Gol has enacted the Central Goods and Services Tax Act, 2017 to lay a framework for a comprehensive national goods and services tax ("GST") regime that has combined taxes and levies by the Central and State Governments into a unified rate structure. The said legislation was notified and made effective from July 1, 2017. As per the GST rates notified then, our services were taxed at a rate of 18% with input tax credit. Any future increases or adverse amendments to GST may adversely affect the overall tax efficiency of our Company and may result in significant additional taxes becoming payable.

**54. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.***

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other

political and economic developments affecting India. The Gol has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in Gol policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

We are incorporated in and our operations are in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include: political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;

- occurrence of natural or man-made disasters;
- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- prevailing regional conditions,
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

**56. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.**

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each country as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned, and expenditure incurred. Our business and financial performance may be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcing them in any one of those countries may adversely affect our results of operations.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Please see "Statement of Tax Benefits" on page 75 for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability.



We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance.

**57. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**58. *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.

**59. *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.

**60. *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.

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**62. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or 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.

**64. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

## SECTION IV – INTRODUCTION

### SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information. The Restated Financial Statement referred to are presented under the section entitled “Financial Information” on page 137 of this Prospectus. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections entitled “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 137 and 159 respectively of this Prospectus, respectively.

#### STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in Lakhs)

| Particulars                                             | Annexure | As at March 31, |               |                 |
|---------------------------------------------------------|----------|-----------------|---------------|-----------------|
|                                                         |          | 2020            | 2019          | 2018            |
| <b>EQUITY AND LIABILITIES</b>                           |          |                 |               |                 |
| <b><u>Shareholders’ Funds</u></b>                       |          |                 |               |                 |
| a. Share Capital                                        | VI       | 56.00           | 56.00         | 56.00           |
| b. Reserves & Surplus                                   | VII      | 964.28          | 614.73        | 428.96          |
|                                                         |          | <b>1,020.28</b> | <b>670.73</b> | <b>484.96</b>   |
| <b><u>Share Application Money Pending Allotment</u></b> |          | -               | -             | -               |
| <b><u>Non-Current Liabilities</u></b>                   |          |                 |               |                 |
| a. Long Term Borrowings                                 |          | -               | -             | -               |
| b. Deferred Tax Liabilities (Net)                       |          | 3.62            | 4.00          | 3.86            |
|                                                         |          | <b>3.62</b>     | <b>4.00</b>   | <b>3.86</b>     |
| <b><u>Current Liabilities</u></b>                       |          |                 |               |                 |
| a. Short Term Borrowings                                | VIII     | -               | 54.36         | 34.13           |
| b. Other Current Liabilities                            | IX       | -               | 0.96          | 0.52            |
| c. Short Term Provisions                                | X        | 396.48          | 212.78        | 479.09          |
|                                                         |          | <b>396.48</b>   | <b>268.10</b> | <b>513.73</b>   |
| <b>TOTAL</b>                                            |          | <b>1,420.38</b> | <b>942.83</b> | <b>1,002.56</b> |
| <b>ASSETS</b>                                           |          |                 |               |                 |
| <b><u>Non-Current Assets</u></b>                        |          |                 |               |                 |
| a. Property, Plant and Equipment                        | XI       |                 |               |                 |
| i. Tangible Assets                                      |          | 105.50          | 110.50        | 57.87           |
| ii. Intangible Assets                                   |          | 0.92            | 1.13          | 1.63            |
|                                                         |          | <b>106.42</b>   | <b>111.63</b> | <b>59.50</b>    |
| b. Long Term Loans & Advances                           | XII      | 0.11            | 0.11          | 0.11            |
| <b><u>Current Assets</u></b>                            |          |                 |               |                 |
| a. Trade Receivables                                    | XIII     | 1,088.94        | 637.77        | 719.62          |
| b. Cash and Cash Equivalents                            | XIV      | 182.92          | 142.28        | 108.34          |
| c. Short Term Loans & Advances                          | XV       | 20.85           | 41.60         | 110.63          |
| d. Other Current Assets                                 | XVI      | 21.14           | 9.44          | 4.36            |
|                                                         |          | <b>1,313.85</b> | <b>831.09</b> | <b>942.95</b>   |
| <b>TOTAL</b>                                            |          | <b>1,420.38</b> | <b>942.83</b> | <b>1,002.56</b> |

# STATEMENT OF PROFIT AND LOSS, AS RESTATED

(₹ in Lakhs)

| Particulars                                                         | Annexure | For the year ended March 31, |                 |                 |
|---------------------------------------------------------------------|----------|------------------------------|-----------------|-----------------|
|                                                                     |          | 2020                         | 2019            | 2018            |
| <b>INCOME</b>                                                       |          |                              |                 |                 |
| Revenue from Operations                                             | XVII     | 1,415.53                     | 1,033.91        | 1,023.45        |
| Other Income                                                        | XVIII    | 9.21                         | 13.58           | 16.55           |
| <b>Total Income (A)</b>                                             |          | <b>1,424.74</b>              | <b>1,047.49</b> | <b>1,040.00</b> |
| <b>EXPENDITURE</b>                                                  |          |                              |                 |                 |
| Employee benefit expenses                                           | XIX      | 441.64                       | 367.27          | 271.10          |
| Finance costs                                                       | XX       | 1.88                         | 7.82            | 4.19            |
| Depreciation & amortization                                         |          | 14.26                        | 13.75           | 4.77            |
| Other Expenses                                                      | XXI      | 473.39                       | 372.59          | 622.31          |
| <b>Total Expenses (B)</b>                                           |          | <b>931.17</b>                | <b>761.43</b>   | <b>902.37</b>   |
| <b>Profit before extraordinary items and tax (C)</b>                |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Prior period items (Net)                                            |          | -                            | -               | -               |
| <b>Profit before exceptional, extraordinary items and tax (A-B)</b> |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Exceptional items                                                   |          | -                            | -               | -               |
| <b>Profit before extraordinary items and tax</b>                    |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Extraordinary items                                                 |          | -                            | -               | -               |
| <b>Profit before tax (D)</b>                                        |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Tax expense:                                                        |          |                              |                 |                 |
| (i) Current tax                                                     |          | 124.15                       | 79.90           | 37.88           |
| (ii) Deferred tax                                                   |          | (0.38)                       | 0.14            | (0.22)          |
| <b>Total Tax Expense (E)</b>                                        |          | <b>123.77</b>                | <b>80.04</b>    | <b>37.66</b>    |
| <b>Profit for the year (D-E)</b>                                    |          | <b>369.80</b>                | <b>206.02</b>   | <b>99.97</b>    |

# **CASH FLOW STATEMENT, AS RESTATED**

(₹ in lakhs)

| Particulars                                                           | For the year ended March 31, |                |                |
|-----------------------------------------------------------------------|------------------------------|----------------|----------------|
|                                                                       | 2020                         | 2019           | 2018           |
| <b>Cash flow from operating activities:</b>                           | -                            |                |                |
| Net Profit before tax as per Profit and Loss account                  | 493.57                       | 286.06         | 137.63         |
| <u>Adjusted for:</u>                                                  |                              |                |                |
| Depreciation & Amortization Expenses.                                 | 14.26                        | 13.75          | 4.77           |
| Finance Cost                                                          | 1.88                         | 7.82           | 4.19           |
| Interest Income                                                       | (9.05)                       | (13.48)        | (16.55)        |
| <b>Operating Profit Before Working Capital Changes</b>                | <b>500.66</b>                | <b>294.15</b>  | <b>130.04</b>  |
| <b>Adjusted for Increase/ Decrease in:</b>                            |                              |                |                |
| Trade Receivable                                                      | (451.17)                     | 81.85          | (502.59)       |
| Short Term Loans and advances                                         | 20.75                        | 69.03          | (10.57)        |
| Other Current Assets                                                  | (11.69)                      | (5.08)         | (23.99)        |
| Other Current Liabilities                                             | (0.96)                       | 0.44           | 0.52           |
| Short term Provisions                                                 | 130.54                       | (287.08)       | 434.96         |
| <b>Cash Generated from Operations Before Extra-Ordinary Items</b>     | <b>188.13</b>                | <b>153.31</b>  | <b>28.37</b>   |
| Direct Tax Paid                                                       | (71.00)                      | (59.13)        | 66.87          |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b>         | <b>117.13</b>                | <b>94.18</b>   | <b>95.24</b>   |
| <b>Cash Flow from Investing Activities:</b>                           |                              |                |                |
| Net Additions of Property, Plant and Equipment                        | (9.05)                       | (65.88)        | (24.87)        |
| Interest income                                                       | 9.05                         | 13.48          | 16.55          |
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b>         | <b>-</b>                     | <b>(52.40)</b> | <b>(8.32)</b>  |
| <b>Cash Flow from Financing Activities:</b>                           |                              |                |                |
| Payment of interest                                                   | (1.88)                       | (7.82)         | (4.19)         |
| Payment of dividend with dividend distribution tax                    | (20.25)                      | (20.25)        | (3.37)         |
| Proceeds from long term / short term borrowings                       | (54.36)                      | 20.23          | (37.54)        |
| <b>Net Cash Flow from/(used in) Financing Activities (C)</b>          | <b>(76.49)</b>               | <b>(7.84)</b>  | <b>(45.10)</b> |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> | <b>40.64</b>                 | <b>33.94</b>   | <b>41.82</b>   |
| <b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>        | <b>142.28</b>                | <b>108.34</b>  | <b>66.52</b>   |
| <b>Cash &amp; Cash Equivalents As At End of the Year</b>              | <b>182.92</b>                | <b>142.28</b>  | <b>108.34</b>  |
| <u>Cash &amp; Cash Equivalents comprises of:</u>                      |                              |                |                |
| Cash in Hand                                                          | 0.42                         | 0.46           | 2.91           |
| Current Bank Accounts                                                 | 68.01                        | 36.99          | 25.48          |
| Deposit with Banks (Security against Guarantees)                      | 114.49                       | 104.83         | 79.95          |
| <b>Closing Balance of Cash &amp; Cash Equivalents</b>                 | <b>182.92</b>                | <b>142.28</b>  | <b>108.34</b>  |

## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

|                                                                                                     |                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equity Shares<sup>(1)</sup>:</b><br>Present Issue of Equity Shares by our Company <sup>(2)</sup> | Up to 24,36,000 Equity Shares of ₹ 10 each for cash at a price of ₹42 per share aggregating ₹1023.12 lakhs                                         |
| <b>Of which:</b>                                                                                    |                                                                                                                                                    |
| <b>Issue Reserved for the Market Maker</b>                                                          | Up to 1,23,000 Equity Shares of ₹ 10 each for cash at a price of ₹42 per share aggregating ₹51.66 lakhs                                            |
| <b>Net Issue to the Public</b>                                                                      | Up to 23,13,000 Equity Shares of ₹ 10 each for cash at a price of ₹42 per share aggregating ₹971.46 lakhs                                          |
|                                                                                                     | <b>Of Which<sup>(3)</sup>:</b>                                                                                                                     |
|                                                                                                     | Up to 11,58,000 Equity Shares of ₹ 10 each at a price of ₹42 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs |
|                                                                                                     | Up to 11,55,000 Equity Shares of ₹ 10 each at a price of ₹42 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs |
| <b>Equity Shares outstanding prior to the Issue</b>                                                 | 61,15,200 Equity Shares of face value of ₹10 each.                                                                                                 |
| <b>Equity Shares outstanding after the Issue</b>                                                    | Up to 85,51,200 Equity Shares of face value of ₹10 each.                                                                                           |
| <b>Objects of the Issue</b>                                                                         | Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 65 of this Prospectus                                          |

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. For further details, please see the section titled “*Issue Information*” beginning on page 185 of this Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated 6<sup>th</sup> August, 2020 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at the Annual General Meeting of our shareholders held with a shorter notice on 7<sup>th</sup> August, 2020.

<sup>(3)</sup> The allocation’ is the net issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI ICDR Regulations, as amended from time to time:

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

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 192 of this Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as AAA Technologies Private Limited on 03<sup>rd</sup> October, 2000 under Companies Act, 1956 with Registrar of Companies, Mumbai. Pursuant to a resolution of the Board of Directors dated 15<sup>th</sup> July, 2020 and Shareholders of the Company dated 16<sup>th</sup> July, 2020, the status of our Company was changed to public limited company and the name was changed to AAA Technologies Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on 3<sup>rd</sup> August, 2020 by the Registrar of Companies, Mumbai. For further details, please refer to the chapter titled “History and Corporate Structure” beginning on page 110 of this Prospectus.

**Registration Number:** I28949

**Corporate Identity Number:** U72100MH2000PLC128949.

**Registered Office & Corporate Office**

278-280, F Wing, Solaris I,  
Saki Vihar Road, Opp. L&T Gate No. 6,  
Powai, Andheri (East);  
Mumbai - 400072.

**Tel. No.:** +91 22 28573815/16

**Email:** info@aaatechnologies.co.in

**Website:** www.aaatechnologies.co.in

For details of changes in the name and registered office of our Company, see “History and Corporate Structure” on page no. 110 of this Prospectus.

### Registrar of Companies

Our Company is registered with the RoC situated at the following address:

Registrar of Companies

Everest, 5<sup>th</sup> Floor,  
100, Marine Drive,  
Mumbai - 400 002

**Tel No.:** +91 22 2281 7259 / 2281 1493

**Fax No.:** +91 22 2281 2389

### Designated Stock Exchange

**National Stock Exchange of India Limited (NSE EMERGE)**

Exchange Plaza, C/I, G Block,  
Bandra Kurla Complex, Bandra (East);  
Mumbai – 400051

Maharashtra, India

**Website:** www.nseindia.com/emerge

### Board of Directors of our Company

The following table sets forth the Board of Directors of our Company as on the date of this Prospectus:

| Name                     | Designation                                     | Address                                                                                 | DIN      |
|--------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
| Anjay Ratanlal Agarwal   | Chairman and Managing Director                  | 102, Vikas Towers, A Wing, Near Amboli Railway Crossing, Andheri East, Mumbai - 400069  | 00415477 |
| Venugopal Madanlal Dhoot | Whole-Time Director<br>Director (Finance) & CFO | 1202-1302, Lake Superior, Lake Homes, Powai, Mumbai - 400076                            | 02147946 |
| Ruchi Anjay Agarwal      | Executive Director<br>(HR & Administration)     | 102, Vikas Towers, A Wing, Near Amboli Railway Crossing, Andheri East, Mumbai - 400069  | 00415485 |
| Rajesh Chandra Verma     | Independent Director                            | 1403, Shiv Asthan Heights, 16 <sup>th</sup> Road, Bandra West, Mumbai - 400050          | 08813054 |
| Naveen Kumar Srivastava  | Independent Director                            | 1501, Vastushilpa CHSL, Off. Veera Desai Road, Azad Nagar, Andheri (W), Mumbai – 400058 | 08813063 |

|              |                      |                                                                                  |          |
|--------------|----------------------|----------------------------------------------------------------------------------|----------|
| Nabankur Sen | Independent Director | 802, Camellia Cooperative Housing Society, DC<br>102, New Town, Kolkata – 700156 | 08813293 |
|--------------|----------------------|----------------------------------------------------------------------------------|----------|

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 114 of this Prospectus.

### Chief Financial Officer

Mr. Venugopal M Dhoot who is the Promoter and Whole Time Director designated as Director (Finance) shall be the Chief Financial Officer of our Company. His contact details are as follows:

Mr. Venugopal M Dhoot  
278-280, F Wing, Solaris I,  
Saki Vihar Road,  
Opp. L&T Gate No. 6,  
Powai, Andheri (East);  
Mumbai - 400072.  
**Tel No.:** 022-28573815/16  
**Email:** cfo@aaatechnologies.co.in  
**Website:** www.aaatechnologies.co.in

### Company Secretary & Compliance Officer

Mr. Sagar Shah (ACS - Membership # 58464) is the Company Secretary & Compliance Officer of our Company. His contact details are as follows:

Mr. Sagar Shah  
278-280, F Wing, Solaris I,  
Saki Vihar Road,  
Opp. L&T Gate No. 6,  
Powai, Andheri (East);  
Mumbai - 400072.  
**Tel No.:** 022-28573815/16  
**Email:** cs@aaatechnologies.co.in  
**Website:** www.aaatechnologies.co.in

### Investor Grievances

**Applicants can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to Lead Manager in the manner provided below.**

All Issue related grievances may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Application was submitted and ASBA Account number (for Applicants other than RIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIs bidding through the UPI mechanism.

All grievances relating to UPI MECHANISM may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank or Self Certified Syndicate Banks if the Application was submitted to SCSBs at any of the Specified Locations, or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name sole or first Applicant, Application Form number, address of the Applicant, Applicant's DP ID, Client ID, PAN, date of the Application Form number of the Equity Shares applied for, name and address of the SCSBs or the Designated Branch or the Registered Broker or the address of the RTA or the address of the DP, as the case may be, where the Bid was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the equivalent Application Amount was blocked.



Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period.

All grievances relating to Applications submitted with Registered Brokers, may be addressed to the Stock Exchange, with a copy to the Registrar to the Issue. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

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

### Lead Manager to the Issue



THINK TRUST

#### CHARTERED FINANCE MANAGEMENT LIMITED

2nd Floor, Wakefield House, Spratt Road,  
Ballard Estate, Mumbai – 400038  
Maharashtra, India

**Tel. No.:** +91 22 22696944 / 22675708; **Fax No.:** +91 22 22624943

**Website:** www.charteredfinance.in

**Email:** aaatech.ipo@cfml.in

**Investor Grievance Email:** ipo@cfml.in

**Contact Person:** Mr. R. Ramnath

**SEBI Registration No.:** INM000012052

### Inter-Se Allocation of Responsibilities

Since, Chartered Finance Management Limited is the sole Lead Manager to this Issue, a statement of inter-se allocation of responsibilities among Lead Managers is not applicable.

### Registrar to the Issue



#### LINK INTIME INDIA PRIVATE LIMITED

C -101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai – 400 083  
Maharashtra, India

**Tel:** +91 2249186200; **Fax:** +91 22 49186195

**Email:** aaa.ipo@linkintime.co.in

**Website:** www.linkintime.co.in

**Investor Grievance Email:** aaa.ipo@linkintime.co.in

**Contact Person:** Ms. Shanti Gopalkrishnan

**SEBI Registration No.:** INR000004058

### Legal Counsel to the Issue



#### DESAI & DIWANJI

##### Advocates&Solicitors

Lentin Chambers, Dalal Street, Fort, Mumbai – 400 001  
Maharashtra, India

**Tel. No.:** +91 22 42961000 / 22651682; **Fax No.:** +91 22 22658245

**Email:** info@desaidiwanji.com

**Contact Person:** Mr. Shrikant Malani

### **Statutory Auditor of the Company**

#### **M/s. Vandana V Dodhia & Co.**

B 10 Madhav Baugh CHS, Jambli Galli,  
Borivali (West), Mumbai – 400092  
Maharashtra, India

**Tel No:** 022 -28335993 / 9820029281; **Fax No:** 022 -28985992

**Email:** [vandana@cavandana.com](mailto:vandana@cavandana.com)

**Website:** [www.cavandana.com](http://www.cavandana.com)

**Contact Person:** CA Vandana Dodhia

**Peer Review No.:** 012330

**Membership No.:** 104000

**Firm Registration No.:** 117812W

### **Changes in The Auditor**

There have been no changes in Auditor of the Company since incorporation.

### **Bankers to the Company**

#### **Kotak Mahindra Bank Limited**

“Hyde Park”, Marol Saki Vihar Road,  
Andheri East, Mumbai – 400072, Maharashtra

**Tel No.:** +91 9930363142/8879979649

**Email Id.:** [tushar.makwana@kotak.com](mailto:tushar.makwana@kotak.com) / [lalsa.prasad@kotak.com](mailto:lalsa.prasad@kotak.com)

**Website:** [www.kotak.com](http://www.kotak.com)

**Contact Person:** Mr. Tushar Makwana / Mr. Lalsa Prasad

#### **State Bank of India**

IFB Saki Naka Branch

1<sup>st</sup> Floor, Lekhraj Bhavan, Sakivihar Road

Andheri (E), Mumbai - 400072

Maharashtra, India

**Tel No.:** +91 22 28527554

**Fax No.:** +91 22 28503956

**Email Id.:** [sbi.06613@sbi.co.in](mailto:sbi.06613@sbi.co.in)

**Website:** [www.sbi.co.in](http://www.sbi.co.in)

#### **HDFC Bank Limited**

Prudential Building, Ground Floor

Hiranandani Business Park

Powai, Mumbai - 400076

**Tel No.:** +91 9324748303

**Email Id.:** [santosh.shrivastava@hdfcbank.com](mailto:santosh.shrivastava@hdfcbank.com)

**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)

**Contact Person:** Mr. Santosh Shrivastava

### **Banker(s) to the Issue / Sponsor Bank**

#### **Kotak Mahindra Bank Limited**

“Hyde Park”, Marol Saki Vihar Road,  
Andheri East, Mumbai – 400072, Maharashtra

**Tel No.:** +91 9930363142/8879979649

**Email Id.:** [tushar.makwana@kotak.com](mailto:tushar.makwana@kotak.com) / [lalsa.prasad@kotak.com](mailto:lalsa.prasad@kotak.com)

**Website:** [www.kotak.com](http://www.kotak.com)

**Contact Person:** Mr. Tushar Makwana / Mr. Lalsa Prasad

### **Self-Certified Syndicate Banks**

The list of SCSBs notified by SEBI for the direct ASBA facility is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or at such other website as may be prescribed by SEBI from time to time.

The list of SCSBs notified by SEBI for the Syndicate ASBA facility is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> or at such other website as may be prescribed by SEBI from time to time.

### **Self-Certified Syndicate Banks eligible as Issuer Banks for UPI**

The list of SCSBs notified by SEBI for the UPI facility is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or at such other website as may be prescribed by SEBI from time to time.

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> or at such other website as may be prescribed by SEBI from time to time.

### **Registered Brokers**

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchange, i.e., through the Registered Brokers at the Broker Centres. 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?doRecognisedFpi=yes&intmId=30>

### **Registrar to the Issue and Share Transfer Agents**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> And on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Monitoring Agency**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

### **IPO Grading**

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

### **Trustees**

This being an Issue of Equity Shares, the appointment of trustees is not required.

### **Details of the Appraising Authority**

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

### Credit Rating

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

### Expert Opinion

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

Our Company has received written consent from the Statutory Auditor namely, M/S. Vandana V Dodhia & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated 10<sup>th</sup> August, 2020 and the Statement of Tax Benefits dated 10<sup>th</sup> August, 2020, issued by them and included in this Prospectus, as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has 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.

### Filing of Prospectus with SEBI and ROC

A copy of the Prospectus, a soft copy of the Prospectus along with due diligence certificate including additional confirmations will be filed at the SEBI Head Office at SEBI Bhavan, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at Everest, 5th Floor, 100 Marine Drive, Mumbai – 400 002.

### Debenture Trustees

This is being an issue of Equity Shares; the appointment of trustee is not required.

### Issue Programme

An indicative timetable in respect of the Issue is set out below:

| Event                                                                 | Indicative Date               |
|-----------------------------------------------------------------------|-------------------------------|
| Issue Opening Date                                                    | September 30, 2020            |
| Issue Closing Date                                                    | October 05, 2020              |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or before October 08, 2020 |
| Initiation of Allotment / Refunds / Unblocking of Funds               | On or before October 09, 2020 |
| Credit of Equity Shares to demat accounts of Allottees                | On or before October 12, 2020 |
| Commencement of trading of the Equity Shares on the Stock Exchange    | On or before October 13, 2020 |

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delay 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.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the 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 or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## Underwriting

This Issue is 100% Underwritten as required under Regulation 260(1) of SEBI (ICDR) Regulations, 2018. Our Company has entered into an Underwriting Agreement dated September 24, 2020 with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

| Details of the Underwriter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | No. of Shares Underwritten* | Amt Underwritten (₹ in lakhs) | % of the Total Issue Size Underwritten |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------|----------------------------------------|
| <b>CHARTERED FINANCE MANAGEMENT LIMITED</b><br>2nd Floor, Wakefield House, Sprott Road,<br>Ballard Estate, Mumbai – 400038<br>Maharashtra, India<br><b>Tel. No.:</b> +91 22 22696944 / 22675708;<br><b>Fax No.:</b> +91 22 22624943<br><b>Website:</b> www.charteredfinance.in<br><b>Email:</b> aaatech.ipo@cfml.in<br><b>Investor Grievance Email:</b> ipo@cfml.in<br><b>Contact Person:</b> Mr.R. Ramnath<br><b>SEBI Registration No.:</b> INM000012052                                                                                                                                                                                                 | 3,65,400                    | 153.47                        | 15.00%                                 |
| <b>NNM Securities Private Limited</b><br>B 6/7, Shri Siddhivinayak Plaza, 2nd Floor,<br>Plot No. B-31, Oshiwara Opp. Citi Mall, B/H Maruti<br>Showroom, Andheri Linking Road, Andheri (W),<br>Mumbai – 400053, Maharashtra<br><b>Tel. No.:</b> 022-40790011, 40790036<br><b>Email:</b> <a href="mailto:support@nnmsecurities.com">support@nnmsecurities.com</a><br><b>Grievance ID :</b> <a href="mailto:support@nnmsecurities.com">support@nnmsecurities.com</a><br><b>Website:</b> <a href="http://www.nnmsecurities.com">www.nnmsecurities.com</a><br><b>Contact Person:</b> Mr. Nikunj Anilkumar Mittal<br><b>SEBI Registration No.:</b> INZ000234235 | 20,70,600                   | 869.65                        | 85.00%                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>24,36,000</b>            | <b>1023.12</b>                | <b>100.00%</b>                         |

*\*Includes 1,23,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

As per Regulation 260 (2) of SEBI ICDR Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

### **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 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 and Applicants who have applied through UPI Mechanism within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed and the notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared. Notwithstanding the foregoing, the 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 IPO, our Company shall be required to file a fresh Prospectus.

### **Market Maker**

Our Company has entered into Market Making Agreement dated September 24, 2020 with the following Market Maker to fulfil the obligations of Market Making for this Issue:

|                              |                                                                                                                                                                          |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                  | NNM Securities Private Limited                                                                                                                                           |
| <b>Address</b>               | B 6/7, Shri Siddhivinayak Plaza, 2nd Floor, Plot No. B-31, Oshiwara Opp. Citi Mall, B/H Maruti Showroom, Andheri Linking Road, Andheri (W), Mumbai – 400053, Maharashtra |
| <b>Telephone</b>             | 022-40790011, 40790036                                                                                                                                                   |
| <b>E-mail</b>                | <a href="mailto:support@nnmsecurities.com">support@nnmsecurities.com</a>                                                                                                 |
| <b>Contact Person</b>        | Mr. Nikunj Anilkumar Mittal                                                                                                                                              |
| <b>SEBI Registration No.</b> | INZ000234235                                                                                                                                                             |

### **Details of the Market Making Arrangement for this Issue**

Our Company Chartered Finance Management Limited, Lead Manager and NNM Securities Private Limited a Market Maker registered with SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE have entered into a tripartite agreement dated September 24, 2020 in order to fulfil the obligations of Market Making and NNM Securities Private Limited has given its consent for inclusion of its name in this Prospectus as Market Maker.

The Market Maker shall fulfil 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:

The Market Maker (NNM) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by NSE. Further, the Market Maker shall inform NSE in advance for each and every black out period when the quotes are not being offered by the Market Maker.

The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of the SME Platform of NSE (NSE EMERGE) and SEBI from time to time.

After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.

The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker 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.

There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.

The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the EMERGE Platform of NSE (in this case currently the minimum trading lot size is 3000 Equity Shares; however the same may be changed by the EMERGE Platform of NSE from time to time).

Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.

The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on EMERGE Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the SME Exchange.

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.

Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of ATL or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.

The Promoters' holding of ATL shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding of ATL which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the EMERGE Platform of NSE, in the manner specified by SEBI from time to time.

In accordance with Regulation 261(8) the lead manager(s) may be represented on the board of directors of the issuer subject to the agreement between the issuer and the lead manager(s) who have the responsibility of market making.

The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of ATL via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

**Risk containment measures and monitoring for Market Maker:** NSE EMERGE 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.

**Punitive Action in case of default by Market Maker(s):** NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case it is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

| <b>Offer Size</b>    | <b>Buy quote exemption threshold<br/>(including mandatory initial<br/>inventory of 5% of the Issue<br/>Size)</b> | <b>Re-Entry threshold for buy quote<br/>(including mandatory initial<br/>inventory of 5% of the Issue<br/>Size)</b> |
|----------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Up to Rs.20 Crore    | 25%                                                                                                              | 24%                                                                                                                 |
| Rs.20 to Rs.50 Crore | 20%                                                                                                              | 19%                                                                                                                 |
| Rs.50 to Rs.80 Crore | 15%                                                                                                              | 14%                                                                                                                 |
| Above Rs.80 Crore    | 12%                                                                                                              | 11%                                                                                                                 |



## CAPITAL STRUCTURE

The share capital of the Company as on the date of this Prospectus is set forth below:

(₹ in lakhs, except share data)

| Sr. No.  | Particulars                                                                                                                                | Aggregate Value at Nominal Value | Aggregate Value at Issue Price |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------|
| <b>A</b> | <b>Authorised Share Capital</b>                                                                                                            |                                  |                                |
|          | 1,00,00,000 Equity Shares of face value of ₹10 each                                                                                        | 1,000                            | -                              |
| <b>B</b> | <b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>                                                                       |                                  |                                |
|          | 61,15,200 Equity Shares of face value of ₹10 each                                                                                          | 611.52                           | -                              |
| <b>C</b> | <b>Present Issue in terms of this Prospectus<sup>(1)</sup></b>                                                                             |                                  |                                |
|          | Issue of 24,36,000 Equity Shares of ₹10 each at a price of ₹42 per equity Share                                                            | 243.60                           | 1023.12                        |
|          | <b>Which comprises:</b>                                                                                                                    |                                  |                                |
|          | 1,23,000 Equity Shares of ₹10 each at a price of ₹42 per Equity Share reserved as Market Maker Portion                                     | 12.30                            | 51.66                          |
|          | Net Issue to Public of 23,13,000 Equity Shares of ₹10 each at a price of ₹42 per Equity Share to the Public                                | 231.30                           | 971.46                         |
|          | <b>Of which<sup>(2)</sup>:</b>                                                                                                             |                                  |                                |
|          | 11,58,000 Equity Shares of ₹10 each at a price of ₹42 per Equity Share will be available for allocation for Investors of up to ₹2.00 lakhs | 115.80                           | 486.36                         |
|          | 11,55,000 Equity Shares of ₹10 each at a price of ₹42 per Equity Share will be available for allocation for Investors of above ₹2.00 lakhs | 115.50                           | 485.10                         |
| <b>D</b> | <b>Paid-up Equity Share Capital after the Issue</b>                                                                                        |                                  |                                |
|          | 85,51,200 Equity Shares of ₹10 each                                                                                                        | 855.12                           |                                |
| <b>E</b> | <b>Securities Premium Account</b>                                                                                                          |                                  |                                |
|          | Before the Issue (as on date of this Prospectus)                                                                                           | 75.26                            |                                |
|          | After the Issue                                                                                                                            | 854.78                           |                                |

<sup>1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated 6<sup>th</sup> August, 2020 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at the Annual General Meeting of our shareholder held with a shorter notice on 7<sup>th</sup> August, 2020.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

### Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

- The initial authorized Share Capital of ₹1,00,00,000 divided into 10,00,000 shares of ₹10 each was increased to ₹26,00,00,000 divided into 2,60,00,000 Equity Shares of ₹10 each, pursuant to resolution of shareholders passed at the Extra-Ordinary General Meeting held on 30<sup>th</sup> March, 2009.

2. The authorized share capital of ₹26,00,000 divided into 2,60,000 Equity Shares of ₹10 each was increased to ₹36,00,000 divided into 3,60,000 Equity Shares of ₹10 each, pursuant to resolution of shareholders passed at the Extra-Ordinary General Meeting held on 30<sup>th</sup> March, 2010.
3. The authorized share capital of ₹36,00,000 divided into 3,60,000 Equity Shares of ₹10 each was increased to ₹61,00,000 divided into 6,10,000 Equity Shares of ₹10 each., pursuant to resolution of shareholders passed at the Extra-Ordinary General Meeting held on 30<sup>th</sup> March, 2011.
4. The authorised share capital of ₹61,00,000 divided into 6,10,000 Equity Shares of ₹10 each was increased to ₹1,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each, pursuant to resolution of shareholders passed at the Extra-Ordinary General Meeting held on 4<sup>th</sup> August, 2020.

## Notes to the Capital Structure

### 1) History of Equity Share Capital of our Company:

#### a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

| Date of Allotment of Equity Shares | Name of Allottee                                                                                                                                              | Nature of Allotment | No. of Equity Shares Allotted | Face Value (₹) | Issue Price (₹) | Form of Consideration          |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|----------------|-----------------|--------------------------------|
| Upon Incorporation                 | 100 Equity Share each to Anjay Agrawal and Sanjay Bhatia                                                                                                      | Subscription to MOA | 200                           | 10             | 10              | Cash                           |
| December 10, 2002                  | 4900 Equity Shares to Anjay Agarwal and 4900 Equity Shares to Sanjay Bhatia                                                                                   | Further Allotment   | 9,800                         | 10             | 10              | Cash                           |
| March 30, 2009                     | 60,000 Equity Shares to Anjay Agarwal and 60,000 Equity Shares to Ruchi Agarwal                                                                               | Further Allotment   | 1,20,000                      | 10             | 10              | Cash                           |
|                                    | 30,000 Equity Shares to Venugopal Dhoot, 30,000 Equity Shares to Shobha Dhoot, 35,000 Equity Shares to Anirudh Dhoot and 35,000 Equity Shares to Vineet Dhoot | Further Allotment   | 1,30,000                      | 10             | 100             | Cash                           |
| March 30, 2010                     | 50,000 Equity Shares to Ruchi Agarwal                                                                                                                         | Further Allotment   | 50,000                        | 10             | 10              | Cash                           |
|                                    | 10,000 Equity Shares to Venugopal Dhoot, 15,000 Equity Shares to Shobha Dhoot, 15,000 Equity Shares to Anirudh Dhoot and 10,000 Equity Shares to Vineet Dhoot | Further Allotment   | 50,000                        | 10             | 100             | Cash                           |
| March 30, 2011                     | 75,000 Equity Shares to Anjay Agarwal & 25,000 Equity Shares to Ruchi Agarwal.                                                                                | Further Allotment   | 1,00,000                      | 10             | 10              | Cash                           |
|                                    | 30,000 Equity Shares to Venugopal Dhoot, 25,000 Equity Shares to Shobha Dhoot, 20,000 Equity Shares to Anirudh Dhoot and 25,000 Equity Shares to Vineet Dhoot | Further Allotment   | 1,00,000                      | 10             | 100             | Cash                           |
| August 7, 2020 <sup>(1)</sup>      | 13,30,000 Equity Shares to Anjay Agarwal, 11,40,000 Equity Shares to Ruchi Agarwal, 95,000 Equity                                                             | Bonus               | 53,20,000                     | 10             | -               | Bonus Shares (Other Than Cash) |

|                                |                                                                                                                                                                                                                                          |                   |          |    |    |      |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|----|----|------|
|                                | Shares to Archana Agarwal, 95,000 Equity Shares to Kanak Agarwal, 6,65,000 Equity Shares to Venugopal Dhoot, 6,65,000 Equity Shares to Shobha Dhoot, 6,65,000 Equity Shares to Anirudh Dhoot and 6,65,000 Equity Shares to Vineet Dhoot. |                   |          |    |    |      |
| August 10, 2020 <sup>(2)</sup> | 2,15,200 Equity Shares to Anjay Agarwal, and 20,000 Equity Shares to Ruchi Agarwal                                                                                                                                                       | Further Allotment | 2,35,200 | 10 | 42 | Cash |

<sup>(1)</sup> Bonus shares are issued in the ratio of 19:2 to all the existing shareholders

<sup>(2)</sup> Further allotment is made by way of Rights Issue in the ratio of 1:25 (One equity share for every Twenty-five existing equity share held).

- b) Our Company has not issued Equity Shares for consideration other than cash except for Bonus Shares as mentioned below:

| Date of Issue  | Persons to Whom Issued                                                                                                                                                                                                                                                                                                                     | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Reasons for the Issue | Benefits Accrued to Company |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------|-----------------|-----------------------|-----------------------------|
| August 7, 2020 | 13,30,000 Equity Shares to Anjay Agarwal, 11,40,000 Equity Shares to Ruchi Agarwal, 95,000 Equity Shares to Archana Agarwal, 95,000 Equity Shares to Kanak Agarwal, 6,65,000 Equity Shares to Venugopal Dhoot, 6,65,000 Equity Shares to Shobha Dhoot, 6,65,000 Equity Shares to Anirudh Dhoot and 6,65,000 Equity Shares to Vineet Dhoot. | 53,20,000            | 10             | Nil             | Bonus Allotment       | Expansion of Capital        |

- c) Our Company has not issued Equity Shares out of Revaluation Reserves
- d) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
- e) Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- f) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Prospectus except for Bonus Allotment stated herein-below:

| Date of Issue   | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Reasons for the Issue | Benefits Accrued to Company |
|-----------------|----------------------|----------------|-----------------|-----------------------|-----------------------------|
| August 07, 2020 | 53,20,000            | 10             | Nil             | Bonus Allotment       | Expansion of Capital        |

g) **Shareholding pattern of our Company**

The following is the shareholding pattern of the Company as on the date of this Prospectus.

| Category (I) | Category of Share- holder (II) | No. of Share-holder (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares Underlying Depository Receipts (VI) | Total Nos. Shares held (VII) = (IV) + (V) + (VI) | Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) (VIII)As a % of (A+B+C2) | Number of Voting Rights held in each Class of securities (IX) |          |                  |                       | No of Underlying Outstanding Convertible securities (incl. Warrants) (X) | Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked In shares (XII) |                                 | No. of shares Pledged Or Otherwise encumbered (XIII) |                                 | No. of Equity shares held in Demat form (XIV) |
|--------------|--------------------------------|---------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------|------------------|-----------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|------------------------------------------------------|---------------------------------|-----------------------------------------------|
|              |                                |                           |                                              |                                              |                                                   |                                                  |                                                                                                    | No of voting Right                                            |          |                  | 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-Equity                                                  | Classes  | Total            |                       |                                                                          |                                                                                                                              |                                  |                                 |                                                      |                                 |                                               |
| (A)          | Promoter & Promoter Group      | 8                         | 61,15,200                                    | -                                            | -                                                 | 61,15,200                                        | 100.00                                                                                             | 61,15,200                                                     | -        | 61,15,200        | 100.00                | -                                                                        | 100.00                                                                                                                       | -                                | -                               | -                                                    | -                               | 61,15,200                                     |
| (B)          | Public                         | -                         | -                                            | -                                            | -                                                 | -                                                | -                                                                                                  | -                                                             | -        | -                | -                     | -                                                                        | -                                                                                                                            | -                                | -                               | -                                                    | -                               | -                                             |
| (C)          | Non-Promoter Non-Public        | -                         | -                                            | -                                            | -                                                 | -                                                | -                                                                                                  | -                                                             | -        | -                | -                     | -                                                                        | -                                                                                                                            | -                                | -                               | -                                                    | -                               | -                                             |
| (C1)         | Shares Underlying DRs          | -                         | -                                            | -                                            | -                                                 | -                                                | -                                                                                                  | -                                                             | -        | -                | -                     | -                                                                        | -                                                                                                                            | -                                | -                               | -                                                    | -                               | -                                             |
| (C2)         | Shares held by Employee Trusts | -                         | -                                            | -                                            | -                                                 | -                                                | -                                                                                                  | -                                                             | -        | -                | -                     | -                                                                        | -                                                                                                                            | -                                | -                               | -                                                    | -                               | -                                             |
|              | <b>Total</b>                   | <b>8</b>                  | <b>61,15,200</b>                             | <b>-</b>                                     | <b>-</b>                                          | <b>61,15,200</b>                                 | <b>100.00</b>                                                                                      | <b>61,15,200</b>                                              | <b>-</b> | <b>61,15,200</b> | <b>100.00</b>         | <b>-</b>                                                                 | <b>100.00</b>                                                                                                                | <b>-</b>                         | <b>-</b>                        | <b>-</b>                                             | <b>-</b>                        | <b>61,15,200</b>                              |

- i. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Prospectus are:

| Sr. No.      | Particulars     | No. of Shares    | % of Shares to Pre – Issue Share Capital |
|--------------|-----------------|------------------|------------------------------------------|
| 1            | Anjay Agarwal   | 16,85,200        | 27.55%                                   |
| 2            | Ruchi Agarwal   | 12,80,000        | 20.93%                                   |
| 3            | Kanak Agarwal   | 1,05,000         | 1.72%                                    |
| 4            | Archana Agarwal | 1,05,000         | 1.72%                                    |
| 5            | Venugopal Dhoot | 7,35,000         | 12.02%                                   |
| 6            | Shobha Dhoot    | 7,35,000         | 12.02%                                   |
| 7            | Anirudh Dhoot   | 7,35,000         | 12.02%                                   |
| 8            | Vineet Dhoot    | 7,35,000         | 12.02%                                   |
| <b>Total</b> |                 | <b>61,15,200</b> | <b>100.00%</b>                           |

- ii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior to date of this Prospectus are:

| Sr. No.      | Particulars     | No. of Shares    | % of Shares to Pre – Issue Share Capital |
|--------------|-----------------|------------------|------------------------------------------|
| 1            | Anjay Agarwal   | 16,85,200        | 27.55%                                   |
| 2            | Ruchi Agarwal   | 12,80,000        | 20.93%                                   |
| 3            | Kanak Agarwal   | 1,05,000         | 1.72%                                    |
| 4            | Archana Agarwal | 1,05,000         | 1.72%                                    |
| 5            | Venugopal Dhoot | 7,35,000         | 12.02%                                   |
| 6            | Shobha Dhoot    | 7,35,000         | 12.02%                                   |
| 7            | Anirudh Dhoot   | 7,35,000         | 12.02%                                   |
| 8            | Vineet Dhoot    | 7,35,000         | 12.02%                                   |
| <b>Total</b> |                 | <b>61,15,200</b> | <b>100.00%</b>                           |

- iii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior to date of this Prospectus are:

| Sr. No.      | Particulars     | No. of Shares   | % of Shares of then Paid-up Capital |
|--------------|-----------------|-----------------|-------------------------------------|
| 1            | Anjay Agarwal   | 1,40,000        | 25.00%                              |
| 2            | Ruchi Agarwal   | 1,40,000        | 25.00%                              |
| 3            | Venugopal Dhoot | 70,000          | 12.50%                              |
| 4            | Shobha Dhoot    | 70,000          | 12.50%                              |
| 5            | Anirudh Dhoot   | 70,000          | 12.50%                              |
| 6            | Vineet Dhoot    | 70,000          | 12.50%                              |
| <b>Total</b> |                 | <b>5,60,000</b> | <b>100.00%</b>                      |

- iv. The top ten Shareholders of our Company two years prior to date of this Prospectus:

| Sr. No.      | Particulars     | No. of Shares   | % of Shares of then Paid-up Capital |
|--------------|-----------------|-----------------|-------------------------------------|
| 1            | Anjay Agarwal   | 1,40,000        | 25.00%                              |
| 2            | Ruchi Agarwal   | 1,40,000        | 25.00%                              |
| 3            | Venugopal Dhoot | 70,000          | 12.50%                              |
| 4            | Shobha Dhoot    | 70,000          | 12.50%                              |
| 5            | Anirudh Dhoot   | 70,000          | 12.50%                              |
| 6            | Vineet Dhoot    | 70,000          | 12.50%                              |
| <b>Total</b> |                 | <b>5,60,000</b> | <b>100.00%</b>                      |

- h) Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing 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 or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

### Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoter:

| Date of Allotment / Transfer | Nature of Transaction   | Consideration           | No. of Shares | F.V (₹) | Issue / Transfer Price (₹) | Cumulative no. of Shares | % of Pre-Issue Paid Up Capital | % of Post-Issue Paid Up Capital |
|------------------------------|-------------------------|-------------------------|---------------|---------|----------------------------|--------------------------|--------------------------------|---------------------------------|
| <b>Anjay Agarwal</b>         |                         |                         |               |         |                            |                          |                                |                                 |
| On Incorporation             | Subscription to MOA     | Cash                    | 100           | 10      | 10                         | 100                      | 0.00                           | Negligible                      |
| December 10, 2002            | Allotment               | Cash                    | 4,900         | 10      | 10                         | 5,000                    | 0.08                           | 0.06                            |
| March 30, 2009               | Allotment               | Cash                    | 60,000        | 10      | 10                         | 65,000                   | 1.06                           | 0.76                            |
| March 30, 2011               | Allotment               | Cash                    | 75,000        | 10      | 10                         | 1,40,000                 | 2.29                           | 1.64                            |
| August 7, 2020               | Allotment               | Other than Cash (Bonus) | 13,30,000     | 10      | N. A                       | 14,70,000                | 24.04                          | 17.19                           |
| August 10, 2020              | Allotment               | Cash                    | 2,15,200      | 10      | 42                         | 16,85,200                | 27.55                          | 19.71                           |
| <b>Venugopal Dhoot</b>       |                         |                         |               |         |                            |                          |                                |                                 |
| March 30, 2009               | Allotment               | Cash                    | 30,000        | 10      | 100                        | 30,000                   | 0.49                           | 0.35                            |
| March 30, 2010               | Allotment               | Cash                    | 10,000        | 10      | 100                        | 40,000                   | 0.65                           | 0.47                            |
| March 30, 2011               | Allotment               | Cash                    | 30,000        | 10      | 10                         | 70,000                   | 1.14                           | 0.82                            |
| August 7, 2020               | Allotment               | Other than Cash (Bonus) | 6,65,000      | 10      | N. A                       | 7,35,000                 | 12.02                          | 8.60                            |
| <b>Ruchi Agarwal</b>         |                         |                         |               |         |                            |                          |                                |                                 |
| February 21, 2004            | Transfer <sup>(1)</sup> | Cash                    | 5,000         | 10      | 10                         | 5000                     | 0.08                           | 0.06                            |
| March 30, 2009               | Allotment               | Cash                    | 60,000        | 10      | 10                         | 65,000                   | 1.06                           | 0.76                            |
| March 30, 2010               | Allotment               | Cash                    | 50,000        | 10      | 10                         | 1,15,000                 | 1.88                           | 1.34                            |
| March 30, 2011               | Allotment               | Cash                    | 25,000        | 10      | 10                         | 1,40,000                 | 2.29                           | 1.64                            |
| February 29, 2020            | Transfer <sup>(2)</sup> | Other than Cash (Gift)  | (20,000)      | 10      | -                          | 1,20,000                 | 1.96                           | 1.40                            |
| August 7, 2020               | Allotment               | Other than Cash (Bonus) | 11,40,000     | 10      | N. A                       | 12,60,000                | 20.60                          | 14.73                           |
| August 10, 2020              | Allotment               | Cash                    | 20,000        | 10      | 42                         | 12,80,000                | 20.93                          | 14.97                           |

<sup>(1)</sup>Pursuant to Board Meeting dated 21<sup>st</sup> February, 2004, 5,000 shares were transferred from Sanjay Bhatia to Ruchi Agarwal

<sup>(2)</sup>Pursuant to Board Meeting dated 29<sup>th</sup> February, 2020, 10,000 shares were transferred from Ruchi Agarwal to Kanak Agarwal and 10,000 shares from Ruchi Agarwal to Archana Agarwal

### Notes:

- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

- None of the shares belonging to our Promoter have been pledged till date.
  - The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI ICDR Regulations. For details please see Note no. I of "Capital Structure" on page 55 of this Prospectus.
  - Our Promoters have confirmed to the Company and the Lead Managers that the Equity Shares held by our Promoter have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- i) Our Company has Eight (8) shareholders, as on the date of this Prospectus.
- j) **Pre-Issue and Post Issue Shareholding of our Promoter and Promoter' Group**

- i. Set forth is the shareholding of our Promoter and Promoter Group before and after the proposed Issue:

| Category of Promoter                                                                                                                                                                 | Pre-Issue        |                                | Post-Issue       |                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------|------------------|---------------------------------|
|                                                                                                                                                                                      | No. of Shares    | % of Pre-Issue Paid Up Capital | No. of Shares    | % of Post-Issue Paid Up Capital |
| <b>1. Promoter</b>                                                                                                                                                                   |                  |                                |                  |                                 |
| Anjay Agarwal                                                                                                                                                                        | 16,85,200        | 27.55%                         | 16,85,000        | 19.71%                          |
| Venugopal Dhoot                                                                                                                                                                      | 7,35,000         | 12.02%                         | 7,35,000         | 8.60%                           |
| Ruchi Agarwal                                                                                                                                                                        | 12,80,000        | 20.93%                         | 12,80,000        | 14.97%                          |
| <b>Total</b>                                                                                                                                                                         | <b>37,00,200</b> | <b>60.50%</b>                  | <b>37,00,200</b> | <b>43.28%</b>                   |
| <b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>                                                                                                                     |                  |                                |                  |                                 |
| Archana Agarwal                                                                                                                                                                      | 1,05,000         | 1.72%                          | 1,05,000         | 1.23%                           |
| Kanak Agarwal                                                                                                                                                                        | 1,05,000         | 1.72%                          | 1,05,000         | 1.23%                           |
| Shobha Dhoot                                                                                                                                                                         | 7,35,000         | 12.02%                         | 7,35,000         | 8.59%                           |
| Anirudh Dhoot                                                                                                                                                                        | 7,35,000         | 12.02%                         | 7,35,000         | 8.59%                           |
| Vineet Dhoot                                                                                                                                                                         | 7,35,000         | 12.02%                         | 7,35,000         | 8.59%                           |
| <b>3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Prospectus under the heading "Shareholding of the Promoter Group".</b> | -                | -                              | -                | -                               |
| <b>Total Promoter &amp; Promoter Group Holding</b>                                                                                                                                   | <b>61,15,200</b> | <b>100.00%</b>                 | <b>61,15,200</b> | <b>71.51%</b>                   |
| <b>Total Paid up Capital</b>                                                                                                                                                         | <b>61,15,200</b> | <b>100.00%</b>                 | <b>85,51,200</b> | <b>100.00%</b>                  |

- ii. Except as disclosed below, none of the members of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of the Prospectus.

| Date of Allotment             | Name of Shareholders | No. of Equity Shares allotted | Price (₹) | % of Pre-Issue Capital | Subscribed / Transferred / Acquired | Category of Allottees (Promoter/Promoter Group/Director) |
|-------------------------------|----------------------|-------------------------------|-----------|------------------------|-------------------------------------|----------------------------------------------------------|
| 10 <sup>th</sup> August, 2020 | Anjay Agarwal        | 2,15,200                      | 42        | 3.52                   | Subscribed                          | Promoter                                                 |
| 10 <sup>th</sup> August, 2020 | Ruchi Agarwal        | 20,000                        | 42        | 0.33                   | Subscribed                          | Promoter                                                 |

- iii. None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of this Prospectus:

| Sr. No. | Name            | Designation                                     | No. of Equity Shares held |
|---------|-----------------|-------------------------------------------------|---------------------------|
| 1.      | Anjay Agarwal   | Chairman and Managing Director                  | 16,85,200                 |
| 2.      | Venugopal Dhoot | Whole Time Director<br>Director (Finance) & CFO | 7,35,000                  |
| 3.      | Ruchi Agarwal   | Executive Director (HR & Administration)        | 12,80,000                 |

- iv. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Prospectus.

k) **Promoter' Contribution and other Lock-In details:**

i. **Details of Promoter' Contribution locked-in for 3 years**

Pursuant to the Regulation 236 and 238(a) of the SEBI ICDR Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoter shall be considered as promoter' contribution ("**Promoter' Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

| Date of Allotment | Nature of Allotment     | No. of Shares | Face Value (₹) | Issue Price (₹) | No. of Equity Shares Locked In (\$) | As a % of Post Issue Share Capital | Date up to which share are subject to lock-in |
|-------------------|-------------------------|---------------|----------------|-----------------|-------------------------------------|------------------------------------|-----------------------------------------------|
| Anjay Agarwal     |                         |               |                |                 |                                     |                                    |                                               |
| On Incorporation  | Subscription to MOA     | 100           | 10             | 10              | 100                                 | Negligible                         | 1 Year                                        |
| December 10, 2002 | Allotment               | 4,900         | 10             | 10              | 4,900                               | 0.06                               | 1 Year                                        |
| March 30,2009     | Allotment               | 60,000        | 10             | 10              | 60,000                              | 0.70                               | 1 Year                                        |
| March 30,2011     | Allotment               | 75,000        | 10             | 10              | 75,000                              | 0.88                               | 1 Year                                        |
| August 7, 2020    | Allotment               | 13,30,000     | 10             | -               | 13,30,000                           | 15.55                              | 3 Years                                       |
| August 10, 2020   | Allotment               | 2,15,200      | 10             | 42              | 2,15,200                            | 2.52%                              | 1 year                                        |
| Venugopal Dhoot   |                         |               |                |                 |                                     |                                    |                                               |
| March 30, 2009    | Allotment               | 30,000        | 10             | 100             | 30,000                              | 0.35                               | 1 Year                                        |
| March 30, 2010    | Allotment               | 10,000        | 10             | 100             | 40,000                              | 0.47                               | 1 Year                                        |
| March 30, 2011    | Allotment               | 30,000        | 10             | 10              | 70,000                              | 0.82                               | 1 Year                                        |
| August 7, 2020    | Allotment               | 6,65,000      | 10             | N. A            | 3,76,000                            | 4.40                               | 3 Years                                       |
|                   |                         |               |                |                 | 3,59,000                            | 4.20                               | 1 Year                                        |
| Ruchi Agarwal     |                         |               |                |                 |                                     |                                    |                                               |
| February 21, 2004 | Transfer <sup>(1)</sup> | 5,000         | 10             | 10              | 5,000                               | 0.06                               | 3 Years                                       |
| March 30, 2009    | Allotment               | 60,000        | 10             | 10              | 60,000                              | 0.70                               | 1 Year                                        |
| March 30, 2010    | Allotment               | 50,000        | 10             | 10              | 50,000                              | 0.58                               | 1 Year                                        |
| March 30, 2011    | Allotment               | 25,000        | 10             | 10              | 25,000                              | 0.29                               | 1 Year                                        |
| February 29, 2020 | Transfer <sup>(2)</sup> | (20,000)      | 10             | -               | (20,000)                            | -                                  | 1 Year                                        |
| August 07, 2020   | Allotment               | 11,40,000     | 10             | N. A            | 11,40,000                           | 13.33                              | 1 Year                                        |
| August 10, 2020   | Allotment               | 20,000        | 10             | 42              | 20,000                              | 0.23                               | 1 Year                                        |



(5) All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity

<sup>(1)</sup>Pursuant to Board Meeting dated 21<sup>st</sup> February, 2004, 5,000 shares were transferred from Sanjay Bhatia to Ruchi Agarwal

<sup>(2)</sup>Pursuant to Board Meeting dated 29<sup>th</sup> February, 2020, 10,000 shares were transferred from Ruchi Agarwal to Kanak Agarwal and 10,000 shares from Ruchi Agarwal to Archana Agarwal

We confirm that in compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or unrealised profits of the issue or from bonus issue against equity shares which are ineligible for minimum promoters' contribution.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter's 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 Promoter's Contribution subject to lock-in.

**We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.**

ii. **Details of Shares locked-in for one year**

- a) Pursuant to Regulation 238(b) of the SEBI ICDR Regulations, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- b) Pursuant to Regulation 242 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
- c) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoter, which are locked-in as per Regulation 238 of the SEBI ICDR Regulations, can be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the specified securities held by persons other than the promoters and locked in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person (including the promoter or promoter group) holding shares which are locked in, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- l) Neither the Company, nor its Promoter, Directors or the Lead Managers have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- m) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "Issue Procedure" beginning on page no. 196 of this Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
- n) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

- o) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- p) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
- q) As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
- r) As on date of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
- s) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- t) Our Company has not revalued its assets and we do not have any revaluation reserves till date.
- u) We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.
- v) As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- w) Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- x) Our Promoter and Promoter Group will not participate in the Issue.
- y) The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- z) Our Company has not made any public issue (including any rights issue to the public) since its incorporation

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Company plans to expand its business operations in India and to this effect, plans to increase its presence across other cities besides Mumbai (the city it is headquartered) and Delhi (where it has a branch office), and hence open branches for adequate representation with the local State Government offices.

The Objects of the Issue is to raise funds for:

- (a) Expansion and development of business operations across various cities in India
- (b) Working Capital Requirements and Security Deposit towards Bank Guarantees/LC
- (c) Issue-related expenses

Further, our Company expects that the listing of the Equity Shares on the SME platform of NSE ('NSE Emerge') will enhance our visibility and our brand image among our existing and potential stakeholders and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Present Issue. The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank or financial institution.

#### Issue Proceeds

| Particulars                        | Amt. (₹ in Lakhs) |
|------------------------------------|-------------------|
| Gross Proceeds from the Issue      | 1023.12           |
| Less: Issue Expenses               | 69.97             |
| <b>Net Proceeds from the Issue</b> | <b>953.15</b>     |

#### Requirement of Funds and utilization of Issue proceeds

We intend to utilize the Net Proceeds of the Issue ("**Net Proceeds**") of ₹ 953.15 lakhs for financing the objects as set forth below:

| Sr. No. | Particulars                                                                      | Amt. (₹ in Lakhs) |
|---------|----------------------------------------------------------------------------------|-------------------|
| 1.      | Expansion and development of business operations across various cities in India* | 554.30            |
| 2.      | Working Capital Requirements (including Bank Guarantee) *                        | 392.77            |
| 3.      | General Corporate purposes                                                       | 6.08              |
|         | <b>Total</b>                                                                     | <b>953.15</b>     |

\* The above utilization of funds is likely to be completed in FY 2020-21 and the balance amount, if any, will be utilized in FY 2021-22.

#### Means of Finance

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230 (1) 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 Issue.

In case of variation in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed thereunder.

In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below, no unsecured / bridge financing has been availed as on date for the above-mentioned objects, which is subject to being repaid from the Issue Proceeds.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds.

For further details, on the risks involved in our proposed fund utilization as well as executing our business strategies, please see “Risk Factors” beginning on page 21 of this Prospectus.

## Details of Fund Requirements

### OBJECTS OF THE ISSUE

We intend to utilize the Net Proceed of the Issue (“Net Proceeds”) of ₹953.15 Lakhs for financing the objects as set forth below:

| Sr. No. | Particulars                                                                                                                                                                                                                                                                                                                                    | Amount<br>(₹ In lakhs) | Percentage of<br>Net Proceeds |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------|
| 1.      | Business Expansion cost comprising hiring professionals/manpower, rental deposits and costs towards expansion of existing Delhi Office and opening of new offices, purchase of equipment such as laptops, printers, computers, software tools, marketing cost, travelling costs related to business expansion and other miscellaneous expenses | 554.30                 | 58.15%                        |
| 2.      | Working Capital requirements (including security deposit towards BG)                                                                                                                                                                                                                                                                           | 392.77                 | 41.21%                        |
| 3.      | General Corporate purposes                                                                                                                                                                                                                                                                                                                     | 6.08                   | 0.64%                         |
|         | <b>Total</b>                                                                                                                                                                                                                                                                                                                                   | <b>953.15</b>          | <b>100.00%</b>                |

### I) Expansion and Development of Business across various cities in India

Our Company has its registered and corporate office in Mumbai. Further, we also operate from our office at Delhi. For details of our offices refer chapter titled ‘Our Business’ on page 90 of this Prospectus.

Since the business of Information Technology and Consulting services is becoming more decentralized and there exists tremendous scope and opportunity locally at various State levels, the Company proposes to expand its outreach and establish branches across key cities, in phases, where business growth and scalability is most likely.

We intend to expand our existing office in Delhi further besides expanding into other cities such as Bhubaneshwar (Orissa), Chandigarh (Punjab), Gandhinagar/Ahmedabad (Gujarat), Nagpur (Maharashtra) and Hyderabad (Telangana) as currently NICS/NIC has Pan India bidding facilities and tenders are available on Central basis. We may set up offices depending upon the location being suitable for conducting operations as well as depending on the demand and scalability of business opportunities. We intend to utilize up to ₹554.30 lakhs from proceeds of the Issue for setting up offices, hiring professionals/manpower, rental deposits and costs towards expansion of existing Delhi Office and opening of new offices, purchase of equipment such as laptops, printers, computers for new hires, software tools, marketing cost, travelling costs related to business expansion and other miscellaneous expenses which are based on the estimates by management.

The breakdown of the estimated expenses related to setting up new offices is follows:  
(₹ in Lakhs)

| Particulars                                 | Amount        |
|---------------------------------------------|---------------|
| Manpower Cost (hiring professionals)        | 200.75        |
| Rental Cost                                 | 18.25         |
| Rental Deposits (towards taking offices)    | 26.63         |
| Office equipment (Laptops/Mobiles/Printers) | 35.58         |
| Marketing Cost                              | 191.00        |
| Travelling & Lodging Cost                   | 12.78         |
| Software Tools Cost                         | 60.00         |
| Others Expenses                             | 9.31          |
| <b>Total</b>                                | <b>554.30</b> |

**a. Details of expansion are as under**

| (₹ in Lakhs) |                           |               |               |               |
|--------------|---------------------------|---------------|---------------|---------------|
| Sr. No.      | Particulars               | 2020-2021     | 2021-2022     | Total         |
| 1.           | Manpower Cost             | 110.00        | 90.75         | 200.75        |
| 2.           | Rental Cost               | 10.00         | 8.25          | 18.25         |
| 3.           | Rental Deposits           | 22.50         | 4.13          | 26.63         |
| 4.           | Laptop / Mobile / Printer | 30.50         | 5.08          | 35.58         |
| 5.           | Marketing Cost            | 180.00        | 11.00         | 191.00        |
| 6.           | Travelling & Lodging Cost | 7.00          | 5.78          | 12.78         |
| 7.           | Software Tools Cost       | 60.00         | -             | 60.00         |
| 8.           | Others Expenses           | 5.00          | 4.31          | 9.31          |
|              | <b>Total Rs.</b>          | <b>425.00</b> | <b>129.30</b> | <b>554.30</b> |

The brief break-up of the above cost is as under:

**i. Manpower Cost**

| Sr. No. | Particulars                     | 2020-21       | 2021-22      |
|---------|---------------------------------|---------------|--------------|
| 1.      | Business Development Manager    | 20.00         | 16.50        |
| 2.      | Business Support Team           | 15.00         | 12.38        |
| 3.      | Administrative Staff            | 7.00          | 5.78         |
| 4.      | Information Security Manager    | 25.00         | 20.63        |
| 5.      | Information Security Consultant | 30.00         | 24.75        |
| 6.      | Support Staff                   | 3.00          | 2.48         |
| 7.      | Annual Bonus                    | 10.00         | 8.25         |
|         | <b>Total Rs.</b>                | <b>110.00</b> | <b>90.75</b> |

**ii. Rental Cost**

| Sr. No. | Particulars               | 2020-21      | 2021-22     |
|---------|---------------------------|--------------|-------------|
| 1.      | Rent for New office       | 10.00        | 2.75        |
| 2.      | Rent for Existing offices | -            | 5.50        |
|         | <b>Total Rent</b>         | <b>10.00</b> | <b>8.25</b> |

**iii. Security Deposits**

| Sr. No. | Particulars      | 2020-21      | 2021-22     |
|---------|------------------|--------------|-------------|
| 1.      | New office       | 22.50        | 4.13        |
|         | <b>Total Rs.</b> | <b>22.50</b> | <b>4.13</b> |

**iv. Laptop / Mobile / Printer**

| Sr. No. | Particulars      | 2020-21      | 2021-22     |
|---------|------------------|--------------|-------------|
| 1.      | Laptop           | 21.00        | 3.50        |
| 2.      | Mobile           | 8.00         | 1.33        |
| 3.      | Printers         | 1.50         | 0.25        |
|         | <b>Total Rs.</b> | <b>30.50</b> | <b>5.08</b> |

**v. Marketing Cost**

| Sr. No. | Particulars                  | 2020-21       | 2021-22      |
|---------|------------------------------|---------------|--------------|
| 1.      | Seminar / Presentation cost  | 30.00         | 11.00        |
| 2.      | Brochure / Printing Material | 10.00         | -            |
| 3.      | Advertisement / Seminars     | 140.00        | -            |
|         | <b>Total Rs.</b>             | <b>180.00</b> | <b>11.00</b> |

**vi. Travelling & Lodging Cost**

| Sr. No. | Particulars               | 2020-21     | 2021-22     |
|---------|---------------------------|-------------|-------------|
| 1.      | Travelling & Lodging Cost | 7.00        | 5.78        |
|         | <b>Total Rs.</b>          | <b>7.00</b> | <b>5.78</b> |

**vii. Software Tools Cost**

| Sr. No. | Particulars      | 2020-21      | 2021-22  |
|---------|------------------|--------------|----------|
| 1.      | Technical Tools  | 60.00        | -        |
|         | <b>Total Rs.</b> | <b>60.00</b> | <b>-</b> |

Our Company procures clients by bidding for tenders for which Company has to pay Earnest Money Deposit which is refundable.

We intend to increase our scale of operations for which we would be required to bid for further tenders and give Security Deposit for the same, provide extended credit period to our customers, but as stated earlier, we do not enjoy any corresponding credit facility or period from our suppliers. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations.

**2) Working Capital Requirements**

The Company till date has had an excellent track record in terms of its receivables; there has been very negligible default from one of its Clients in the Company's entire business history. However, the time taken to receive payments against the Invoice raised against its Clients takes an average period of 4-6 months leading to stress in working capital cycle. The fee is received mostly in one single-tranche after the completion of the Contract assignment; which essentially involves the Company obtaining final clearance and completion certificate from the Client and then raising an Invoice on them leading to subsequent release of payment. Typically, the Orders are issued by various Clients in the first and second Quarters of the fiscal year which are to be executed and completed on or before the close of that fiscal year. Thus, invariably the billing exercise take place in large numbers in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of the year. We are therefore required to provide sufficient credit period to our clients resulting in high receivables and at the same time, being in service industry we do not enjoy credit from our own suppliers.

With our proposed business development and expansion plans across various cities, leading to growth in business contracts, we shall have to extend credit to all our future clients as well. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake.

### Assumptions / Justification for working capital requirements

#### Revenue from Operations

(Rs. in lakhs)

| Particulars            | 2019-20<br>(Actual) | 2020-21<br>(Projected) | 2021-22<br>(Projected) |
|------------------------|---------------------|------------------------|------------------------|
| Revenue for Operations | 1415.53             | 1807.08                | 3022.11                |

(Rs. in lakhs)

| Particulars       | Assumptions                                                                                                                                                                                                                                  | Amount        |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Trade Receivables | We normally provide services on credit to our clients. Our collection would differ from client to client depending on the tenure of tender and terms of payment agreed upon. Hence, we have estimated the trade receivable levels as under : |               |
|                   | 4 Months Receivables on incremental sales between FY 2020-21 and FY 2019-20                                                                                                                                                                  | 130.52        |
|                   | 2 Months Receivables on incremental sales between FY 2021-22 and FY 2020-21                                                                                                                                                                  | 202.51        |
|                   | <b>Total</b>                                                                                                                                                                                                                                 | <b>333.03</b> |

Also, at the time of bidding for Orders, we are to provide Security Deposit which is refunded when the contract is awarded. However, we may have to provide Performance Guarantee by way of providing Bank Guarantees towards which we may have to keep deposits with the Bank. In order to enable us to be capable of bidding of more and larger contracts, we need to have the ability to provide Bank Guarantees.

We estimate that we may need ₹392.77 lakhs out of the issue proceeds to meet the increase in working capital requirements and Bank Guarantees. We estimate to utilize Rs. 333.03 Lakhs towards working capital requirements and balance amount Rs. 59.74 lakhs would be utilized towards Bank Guarantees

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### 3) Issue related Expenses

The total estimated Issue Expenses is ₹69.97lakhs, which is 6.84 % of the total Issue Size. The details of the Issue Expenses are tabulated below:

(₹ in Lakhs)

| Sr. No. | Particulars                                                                                                                                                                                    | Amount       | % of Total Expenses | % of the Total Issue Size |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|---------------------------|
| 1.      | Issue Management fees including fees and payment to Merchant banker and other intermediaries such as Legal Advisors, Registrars, Bankers, market making fees and other out of pocket expenses. | 32.05        | 45.80%              | 3.13%                     |
| 2.      | Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs <sup>(1)(2)(3)(4)</sup>                                                                                               | 21.13        | 30.20%              | 2.07%                     |
| 3.      | Advertisement, Printing & Stationery, Marketing Expenses, etc.                                                                                                                                 | 3.86         | 5.51%               | 0.38%                     |
| 4.      | Listing Fees, Market Regulatory & Other Expenses                                                                                                                                               | 12.94        | 18.49%              | 1.26%                     |
|         | <b>Total</b>                                                                                                                                                                                   | <b>69.97</b> | <b>100.00%</b>      | <b>6.84%</b>              |

<sup>(1)</sup> The SCSBs and other intermediaries will be entitled to a commission of Rs.0.25% per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

- <sup>(2)</sup> The SCSBs would be entitled to processing fees of Rs. 10 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.
- <sup>(3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of Rs.0.25% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.
- <sup>(4)</sup> The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

#### **4) General Corporate Purposes**

There is no specific proposal to deploy any amount for General Corporate purposes. However, in view of the fact that the Issue Price would be determined before the opening of the Issue, if any amount is received in excess of our fund requirement which has been mentioned herein-above, the same would be utilized towards general expenses of the company or any other purposes as may be approved by our Board.

#### **Appraisal and Bridge Loans**

The Objects of the Issue and deployment of funds have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Issue Proceeds.

#### **Interim Use of Funds**

Pending utilization of the Net Issue Proceeds for the purposes described above, our Company will temporarily deposit the Net Issue Proceeds with scheduled commercial banks included in Schedule II of the Reserve Bank of India Act, 1934 for the necessary duration. Such deposits will be approved by our management from time to time. Further, in accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Issue Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity market.

#### **Utilization of Issue Proceeds as on Date of Prospectus**

Our Company has utilized Rs. 26.89 Lakhs towards various expenses being part of Issue proceeds as on date of Prospectus as certified by Statutory Auditor of the Company Vandana V. Dodhia & Co., Chartered Accountants.

#### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our registered Office is situated. With regard to the shareholders who do not agree to the above stated proposal, our Promoter or controlling shareholders will be required to provide an exit opportunity to such dissenting shareholders, at such price and in such manner as may be prescribed by SEBI, in this regard.

#### **Shortfall of Funds**

In case of a shortfall in Net Proceeds, our management may explore a range of options which include utilization of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

#### **Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Prospectus, some expenses have been deployed on these objects which are related to Issue expenses.



The utilization of funds is likely to be completed in FY 2020-21 and the balance amount (if any) will be fully utilized in FY 2021-22

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

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Issue Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds.

In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

### **Other Confirmations**

Except as disclosed in the Chapter titled "*Our Business*", "*Our Management*", "*Our Promoter and Promoter Group*", there is no material existing or anticipated transactions with our Promoter, our Directors, our Company's Key Managerial Personnel and Group Entities, in relation to the utilization of Net Proceeds. Except the amount as disclosed above and in the normal course of business and in compliance with applicable laws, no part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or Key Managerial Personnel or our Group Entities.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹10 and Issue Price is ₹42 per Equity Share and is 4.20 time of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Statements” and the chapter titled “Our Business” beginning on page 21, 137 and 90 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Highly qualified technocrat Promoter
- Highly experienced and professional management team
- Long Business Experience and Established Network
- Asset Light Model
- Profitable track record, strong balance sheet and stable cash flows
- Modern and scalable technology infrastructure
- Huge business demand and scalability
- Strong barriers to entry in this business segment

For more details on qualitative factors, refer to chapter “Our Business” and “Risk Factors” on page 90 and 21 of this Prospectus.

### Quantitative Factors

The information presented in this section for the Fiscal Year ended 31<sup>st</sup> March, 2020, Fiscal Year ended 31<sup>st</sup> March, 2019 and Fiscal Year ended 31<sup>st</sup> March, 2018 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements” on page 137 of this Prospectus.

Investors should evaluate our Company 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) Earnings Per Share (Pre-Bonus)

| Year ended March 31,    | EPS (in ₹) <sup>(1)</sup> | Weights |
|-------------------------|---------------------------|---------|
| 2020                    | 66.04                     | 3       |
| 2019                    | 36.79                     | 2       |
| 2018                    | 17.85                     | 1       |
| <b>Weighted Average</b> | <b>48.26</b>              |         |

<sup>(1)</sup> Based on Restated Financials of our Company

#### 2) Earnings Per Share (Post-Bonus)

| Year ended March 31,    | EPS (in ₹) <sup>(1)</sup> | Weights |
|-------------------------|---------------------------|---------|
| 2020                    | 6.29                      | 3       |
| 2019                    | 3.50                      | 2       |
| 2018                    | 1.70                      | 1       |
| <b>Weighted Average</b> | <b>4.60</b>               |         |

<sup>(1)</sup> Based on Restated Financials of our Company.

- Diluted Earnings per Share are considered after giving impact to bonus shares issued in the ratio of 19:2 approved by the Board of Directors in their meeting held on 6<sup>th</sup> August, 2020 and shareholders in their meeting held on 7<sup>th</sup> August, 2020.
- For the Financial Year Ended 31<sup>st</sup> March, 2020 impact of Rights issue of 2,35,200 Equity shares as approved by the Board of Directors in their meeting held on 10<sup>th</sup> August, 2020 has not been considered.

**Notes:**

- a. EPS (Pre-Bonus) has been calculated as per the following formula:

$$\text{EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year}}$$

- b. EPS (Post-Bonus) has been calculated as per the following formula:

$$\text{EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Diluted Equity Shares outstanding during the year}}$$

- c. EPS (Pre and Post Bonus) calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & Annexure V of Financial Information” beginning on page no. 143 of this Prospectus.

### 3) Price Earnings Ratio (“P/E”) in relation to the Price of ₹42 per share of ₹10 each

| Particulars                                              | P/E Ratios |
|----------------------------------------------------------|------------|
| P/E ratio based on EPS (Pre-Bonus) as at March 31, 2020  | 0.87       |
| P/E ratio based on EPS (Post Bonus) as at March 31, 2020 | 9.13       |

| Industry P/E* | P/E Ratios |
|---------------|------------|
| Highest       | N. A       |
| Lowest        | N. A       |
| Average       | N. A       |

\* There being no listed peers in the specific business/industry segment in which the Company operates, no Industry P/E can be provided

### 4) Return on Net worth (RoNW)

| Year ended March 31,    | RoNW (%)*    | Weight |
|-------------------------|--------------|--------|
| 2020                    | 36.24        | 3      |
| 2019                    | 30.72        | 2      |
| 2018                    | 20.61        | 1      |
| <b>Weighted Average</b> | <b>31.80</b> |        |

\* Based on Restated Financials of our Company.

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

### 5) Net Asset Value (NAV)

| Financial Year           | NAV (₹)* |
|--------------------------|----------|
| NAV as at March 31, 2020 | 182.19   |
| NAV after Issue          | 25.05    |
| Issue Price (₹)          | 42       |

\*Based on Restated Financials of our Company.

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

## **6) Comparison with Industry Peers**

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

- 7)** The Company in consultation with the Lead Manager believes that the Issue price of ₹42 per Equity share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Restated Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Share is ₹10 per share and the Issue Price is 4.2times of the face value i.e. ₹ 42 per share.

## STATEMENT OF TAX BENEFITS

To  
The Board of Directors,  
**AAA Technologies Limited**  
278-280, F Wing, Solaris I,  
Saki Vihar Road, Opp. L&T Gate No. 6,  
Powai, Andheri (East);  
Mumbai - 400072.

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to AAA Technologies Limited (“the Company”) and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, 1962 circulars, notifications) as amended by the Finance Act, 2020 presently in force in India (together referred to as the “**Direct Tax Laws**”) and Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, & Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India, (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under the relevant Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. Our Company does not have any Material Subsidiary as on date of this Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the 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 or intentional misconduct. We will not be liable to any other person in respect of this Statement.

We hereby give consent to include this Statement in the Prospectus, Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For, Vandana V. Dodhia & Co.**  
**Chartered Accountants**  
**Firm Registration No. 117812W**  
**Sd/-**  
**Vandana V. Dodhia**  
**(Partner)**  
**Membership No. 104000**

Place: Mumbai  
Date: August 10, 2020  
**UDIN:20104000AAAABI6954**

Encl: a/a

## **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS**

Outlined below are the possible special tax benefits available to **AAA Technologies Limited (“the Company”)** and to its Shareholders under the direct and indirect Tax Laws in force in India (i.e. applicable for the Financial Year 2020 – 21 relevant to the Assessment Year 2021 – 22).

### **A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

#### **1. Direct Tax**

The Company is eligible to opt for and the Company intends to opt for the beneficial tax rate of 22% (plus applicable surcharge and cess) as provided under Section 115BAA of the Act, subject to the condition that going forward it does not claim the deductions as specified in Section 115BAA(2) of the Act and computes total income as per the provisions of Section 115BAA(2) of the Act. Proviso to Section 115BAA(5) provides that once the Company opts for paying tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other Previous Year. The Company will exercise the option under this Section on or before the due date of filing the returns under sub-section (1) of Section 139 of the Act for the Previous Year relevant to the Assessment Year 2020-2021. Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the Company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act

#### **2. Indirect Tax**

There are no special indirect tax benefits available to the Company.

### **B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

#### **1. Direct Tax**

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Indian Income-tax Act, 1961 read with the relevant Income-tax Rules, 1962.

#### **2. Indirect Tax**

There are no special indirect tax benefits available to the Shareholders.

## SECTION VI– ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

### GLOBAL ECONOMIC OVERVIEW

Global growth is projected at ~4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity.

### COVID-19 Crisis: More Severe Economic Fallout than Anticipated

Economic data available at the time of the April 2020 WEO forecast indicated an unprecedented decline in global activity due to the COVID-19 pandemic. Data releases since then suggest even deeper downturns than previously projected for several economies. Few severe economic fallouts are mentioned below:

- The pandemic has worsened in many countries, leveled off in others. Following the release of the April 2020 WEO, the pandemic rapidly intensified in a number of emerging market and developing economies, necessitating stringent lockdowns and resulting in even larger disruptions to activity than forecast. In others, recorded infections and mortality have instead been more modest on a per capita basis, although limited testing implies considerable uncertainty about the path of the pandemic. In many advanced economies, the pace of new infections and hospital intensive care occupancy rates have declined thanks to weeks of lockdowns and voluntary distancing.
- Synchronized, deep downturn. First-quarter GDP was generally worse than expected (the few exceptions include, for example, Chile, China, India, Malaysia, and Thailand, among emerging markets, and Australia, Germany, and Japan, among advanced economies). High-frequency indicators point to a more severe contraction in the second quarter, except in China, where most of the country had reopened by early April.
- Consumption and services output have dropped markedly. In most recessions, consumers dig into their savings or rely on social safety nets and family support to smooth spending, and consumption is affected relatively less than investment. But this time, consumption and services output have also dropped markedly. The pattern reflects a unique combination of factors: voluntary social distancing, lockdowns needed to slow transmission and allow health care systems to handle rapidly rising caseloads, steep income losses, and weaker consumer confidence. Firms have also cut back on investment when faced with precipitous demand declines, supply interruptions, and uncertain future earnings prospects. Thus, there is a broad-based aggregate demand shock, compounding near-term supply disruptions due to lockdowns.
- Mobility remains depressed. Globally, lockdowns were at their most intense and widespread from about mid-March through mid-May. As economies have gradually reopened, mobility has picked up in some areas but generally remains low compared to pre-virus levels, suggesting people are voluntarily reducing



exposure to one another. Mobility data from cellphone tracking, for example, indicate that activity in retail, recreation, transit stations, and workplaces remains depressed in most countries, although it appears to be returning to baseline in certain areas.

- Severe hit to the labor market. The steep decline in activity comes with a catastrophic hit to the global labor market. Some countries (notably in Europe) have contained the fallout with effective short-term work schemes. Nonetheless, according to the International Labour Organization, the global decline in work hours in 2020:Q1 compared to 2019:Q4 was equivalent to the loss of 130 million full-time jobs. The decline in 2020:Q2 is likely to be equivalent to more than 300 million full-time jobs. Where economies have been reopening, activity may have troughed in April—as suggested, for example, by the May employment report for the United States, where furloughed workers are returning to work in some of the sectors most affected by the lockdown.
- The hit to the labor market has been particularly acute for low-skilled workers who do not have the option of working from home. Income losses also appear to have been uneven across genders, with women among lower-income groups bearing a larger brunt of the impact in some countries. Of the approximately 2 billion informally employed workers worldwide, the International Labour Organization estimates close to 80 percent have been significantly affected.
- Contraction in global trade. The synchronized nature of the downturn has amplified domestic disruptions around the globe. Trade contracted by close to –3.5 percent (year over year) in the first quarter, reflecting weak demand, the collapse in cross-border tourism, and supply dislocations related to shutdowns (exacerbated in some cases by trade restrictions).
- Weaker inflation. Average inflation in advanced economies had dropped about 1.3 percentage points since the end of 2019, to 0.4 percent (year over year) as of April 2020, while in emerging market economies it had fallen 1.2 percentage points, to 4.2 percent. Downward price pressure from the decline in aggregate demand, together with the effects of lower fuel prices, seems to have more than offset any upward cost-push pressure from supply interruptions so far.

### **Policy Counter measures Have Limited Economic Damage and Lifted Financial Sentiment**

Some bright spots mitigate the gloom. Following the sharp tightening during January–March, financial conditions have eased for advanced economies and, to a lesser extent, for emerging market economies, also reflecting the policy actions discussed below.

Sizable fiscal and financial sector countermeasures deployed in several countries since the start of the crisis have forestalled worse near-term losses. Reduced-work-hour programs and assistance to workers on temporary furlough have kept many from outright unemployment, while financial support to firms and regulatory actions to ensure continued credit provision have prevented more widespread bankruptcies.

Swift and, in some cases, novel actions by major central banks (such as a few emerging market central banks launching quantitative easing for the first time and some advanced economy central banks significantly increasing the scale of asset purchases) have enhanced liquidity provision and limited the rise in borrowing costs. Moreover, swap lines for several emerging market central banks have helped ease dollar liquidity shortages. Portfolio flows into emerging markets have recovered after the record outflows in February–March and hard currency bond issuance has strengthened for those with stronger credit ratings. Meanwhile, financial regulators' actions—including modification of bank loan repayment terms and release of capital and liquidity buffers—have supported the supply of credit.

Stability in the oil market has also helped lift sentiment. West Texas Intermediate oil futures, which in April had sunk deep into negative territory for contracts expiring in the early summer, have risen in recent weeks to trade in a stable range close to the current spot price.

Exchange rate changes since early April have reflected these developments. As of mid-June, the US dollar had depreciated by close to 4 percent in real effective terms (after strengthening by over 8 percent between January and early April). Currencies that had weakened substantially in previous months have appreciated since April—including the Australian dollar and the Norwegian krone, among advanced economy currencies, and the Indonesian rupiah, Mexican peso, Russian ruble, and South African rand, among emerging market currencies.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUNupdateJune2020>)

## INDIAN ECONOMY OVERVIEW

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

### Market size

- India's gross domestic product (GDP) (at constant 2011-12 prices) was estimated to be Rs 145.65 lakh crore (US\$ 2.06 trillion) for 2019-20, growing 4.2 per cent over the previous year.
- India retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups as 1,300 new start-ups got incorporated in 2019 according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 (till August 2019), taking the total tally to 24.
- India's labour force is expected to touch 160-170 million by 2020 based on the rate of population growth, increased labour force participation and higher education enrolment among other factors according to a study by ASSOCHAM and Thought Arbitrage Research Institute.
- India's foreign exchange reserves reached Rs 37.31 lakh crore (US\$ 493.48 billion) in the week up to May 29, 2020 according to the data from RBI.

### Government Initiatives

- The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.
- Total expenditure for 2020-21 is budgeted at Rs 37.14 lakh crore (US\$ 531.53 billion), an increase of 13 per cent from 2019-20.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

### Road Ahead

- India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favourable demographics, and reforms.
- India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030, which is currently 30 per cent, and have plans to increase its renewable energy capacity to 175 gigawatt (GW) by 2022.
- India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

Note: Conversion rate used in April 2020, Rs 1 = US\$ 0.013123

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

## INDIAN SERVICE INDUSTRY OVERVIEW

- The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment, has contributed significantly to export and has provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

## Market Size

The services sector is a key driver of India's economic growth. The sector contributed 55.39 per cent to India's Gross Value Added at current price in FY20. Services sector's GVA grew at a CAGR of 1.45 per cent to US\$ 1,064.8 billion in FY20 from US\$ 1,005 billion in FY16. Net export estimate in FY20 from services stood at US\$ 214.14 billion, while import was at US\$ 131.41 billion in FY20.

## Government Initiatives

- The Government of India recognises the importance of promoting growth in services sector and provides several incentives across a wide variety of sectors like health care, tourism, education, engineering, communications, transportation, information technology, banking, finance and management among others.
- The Government of India has adopted few initiatives in the recent past, some of these are as follows:
- The Cabinet Committee on Economic Affairs has given its approval for continuation of the process of recapitalization of Regional Rural Banks (RRBs) by providing minimum regulatory capital to RRBs for another year beyond 2019-20.
- Government of India has launched the National Broadband Mission with an aim to provide Broadband access to all villages by 2022.
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Central Government increased incentives provided under Services Exports from India Scheme (SEIS) by two per cent.
- Government of India has been working to remove many trade barriers to services, for which it tabled a draft legal text on Trade Facilitation in Services to the WTO in 2017.

## Road Ahead

- Services sector growth is governed by domestic and global factors. The Indian facilities management market is expected to grow at 17 per cent CAGR between 2015 and 2020 and surpass the US\$ 19 billion mark supported by booming real estate, retail, and hospitality sectors.
- By 2023, healthcare industry is expected to reach US\$ 132 billion. India's digital economy is estimated to reach US\$ 1 trillion by 2025. By end of 2023, India's IT and business services sector is expected to reach US\$ 14.3 billion with 8 per cent growth.
- The implementation of the Goods and Services Tax (GST) has created a common national market and reduced the overall tax burden on goods. It is expected to reduce costs in the long run on account of availability of GST input credit, which will result in the reduction in prices of services.

Note: Conversion rate used in April 2020, Rs 1 = US\$ 0.013123  
(Source: <https://www.ibef.org/industry/services.aspx>)

## INDIAN IT AUDIT INDUSTRY

Businesses worldwide, and more so in India, are becoming paperless with the aggressive transition to digitization and computerized information systems. 'Digital India' initiative of the Government of India is a visionary step in the right direction to accelerate digital empowerment, online infrastructure development and increased internet connectivity.

With rapid pace of growth in digitization; corporate governance of information systems and fail-safe security control measures to safeguard transactions, data and its privacy have become imperative and the need of the hour.

The twentieth century has brought to reality the idea of a global village, where digital technology has interconnected and enmeshed the world economies, cultures and populations. Over half a billion people in India use the internet today making it the second largest internet population in the world, and this number is expected to register double-digit growth in the next few years. Rising internet usage, together with millions of smartphone users and growing mobile data traffic, sets the context for transformational change in the country.

While greater connectivity via the world wide web promises large-scale progress, it also leaves our digital societies open to new vulnerabilities. Cyber-crimes know no borders and evolve at a pace at par with emerging technologies.

The new generation in India is clearly 'mobile first', with 1.16 billion mobile phone subscriptions and more than 12.3 billion apps being downloaded in 2018 alone. Corporate India is gearing up to meet these growing needs, through its investments in various initiatives and emerging technologies. Realizing the several benefits of emerging technologies, the government has also enrolled more than 1.24 billion Indians in its biometric digital identity programme Aadhaar, and brought more than 10.3 million businesses under a common digital platform, through the Goods and Services Tax (GST). The average daily government eTransactions has moved up from 20 million in 2015, to close to 143 million in 2019.

Cyber security breaches across organizations have become common place, regularly grabbing headlines that alarm both consumers and leaders.

In the last few years, cyber criminals have shifted their focus to developing markets like India—which has boarded the digital bandwagon in a big way and where different organizations are at different levels of maturity to fight off cyberattacks. As a result, Indian organizations across sectors are vulnerable to cyberattacks and there have been reported breaches in the recent past causing concern to both governments and businesses.

In fact, according to a 2017 report, Indian consumers had lost over 18 billion U.S. dollars due to cyber-crimes. In 2018, there were over 27 thousand cases of cyber-crimes recorded in the country, marking an increase of over 121 percent compared to the number of cases just two years back. While the nature of crimes ranges from petty online frauds to lottery scams and sexual harassment, the most targeted crimes seem to be in the banking and finance sector.

Even then, it is important to remember that cyber vulnerabilities aren't just limited to private sectors. Some of the most dangerous data breaches have been with respect to government data.

Along with economic losses, cyber-crimes also impact public safety- especially for minors and vulnerable sections of the society through incidents of cyber bullying and exploitation. In 2018 alone, India recorded over two thousand cases of cyber crimes related to sexual harassment and over 700 cases of cyber bullying against women and minors. Perhaps these high number of cases had led to an increased awareness about the issue of cyberbullying, and a large share of Indians felt that the responsibility for abusive behavior on social media lay with both the users as well as social media platforms.

However, one of the biggest impediments in curbing cyber-crimes has been the lack of awareness on cyber hygiene leading to critical digital vulnerabilities. Most cyber-crime incidents in India went unreported. And even when crimes were reported to authorities, the infrastructure and process to tackle such cases were largely inefficient. On the bright side, in 2018 the Indian government launched its National Cyber Crime Reporting Portal for citizens to register their complaints online. Under this initiative, cyber cells in various cities across the country have also been training police and government employees how to handle digital security incidents and increase public awareness at the same time.

Alarmed by these developments, regulatory attention towards cyber security has gradually increased and there is a greater focus on pushing more organizations into adopting the minimum-security baseline. While banks have already started feeling the heat after the Reserve Bank of India (RBI) imposed penalties over non-compliance in the last one-year, other industries are not far behind. Regulators are taking cues from global headwinds and crafting their cyber security mandates. Both central and state governments have also stepped up their vigil to protect against and respond to breaches.

However, the effect of these three drivers, viz. rapid digitization, increasing cyber threats and regulatory focus on cyber security, varies widely across sectors and enterprises. Larger and more mature organizations have already undergone the initial grind and have incorporated cyber security as part of their strategic initiatives. Sectors such as energy, healthcare and manufacturing are emerging with their own unique cyber security challenges. Although the demand from these sectors for strong security mechanisms is still catching up, they hold a promising future for cybersecurity.

*(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)*

The number of cybercrime cases went up in India in 2019. The debate on whether technology is a boon or bane continues and the fact is that India moves accelerates the process of digitization, the more exposed everybody is including their data and their privacy to innovative fraudsters.

A large number of population are apprehensive that their identities would be stolen.

About 131.2 million people were victims to cybercrime in India in 2019, compared with 350 million worldwide. Rs 1.24 trillion is the amount lost in India in the past 12 months due to cybercrime. A strong majority of Indians are alarmed about their privacy with the global average being 67%. 4 in 10 consumers in India have experienced identity theft, with 10% impacted in the past year.

63% Indians of the 131 million cybercrime victims in India, were impacted financially. 80% Indians have been a victim of cybercrime at some point in their lives, with 66% victimized in the past year.

63% Indians do not know what they will do if their identities are stolen, even though 70% are worried that the identities will be stolen.

41% Indians are concerned their sensitive personal information will be sold to third parties and used without their consent. 86% Indians are the most proactive in the world in looking for better ways to protect their privacy, compared with 65% globally.

(Source: <https://economictimes.indiatimes.com/wealth/personal-finance-news/cyber-criminals-stole-rs-1-2-trillion-from-indians-in-2019-survey/articleshow/75093578.cms>)

This has alarmed the industry and banking sectors and need for Audit of systems has increased manifold times thus making Audit in Information Technology a promising industry.

In view of experts, cyber security is invariably assuming central importance and new age technologies are facilitating this development further.

As per NASSCOM-McKinsey Vision 2025, cybersecurity has been identified as a major growth vertical, along with Cloud and Big Data. Chief information officers cite cybersecurity as one of their top three priorities, and companies are seeking increasingly sophisticated protection. This is estimated to create a growth trajectory that will propel India into a global hub for cybersecurity.

From the standpoint of statistics, the industry generated a cumulative revenue of ~ USD 4.3 Bn in the year 2019 and this is expected to reach USD ~7.6 Billion in 2022. It will be registering an overall CAGR of ~21% by 2025. The current estimated employee base of the cybersecurity services companies is 110K which will be scaling up significantly in times to come. It is worth noting that 40-50% of the companies surveyed, have been mentioned in leading analyst reports for their MSS, cloud and infrastructure, MDR, VAPT, IAM and consulting services 60% of the companies have been operating successfully for more than two decades.

The Indian IT industry has been continually reinventing itself by stepping up focus on R&D, talent development, global partnerships and has crossed \$190+ Billion during FY 19-20. Cyber Security Services has emerged as a growth vertical for Indian IT Industry growing at a CAGR of 20%+.

The organizations are shifting focus to proactive and preventive measures, while augmenting their R&D reports to meet the rising scale and complexities of cyberattacks. AI/ML and Big Data/Analytics are highly preferred technologies for creating next-gen solutions, while IoT and cloud are acting as upcoming areas of focus.

Also, a shift in service delivery model is being witnessed, as the Industry is moving to holistic offerings and value creation. Indian cybersecurity services companies are expanding their global presence because of demand for security from within and outside India, coupled with their unique value proposition.

India's Digital economy is on a fast-paced growth trajectory to realize \$1 Trillion by 2025. Indian IT Services Industry has been a key growth pillar of the economy, and a preferred Digital Transformation partner for global enterprises across the world.

(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

## Global Scenario



(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)



(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

The United States, driven by the federal government's desire to enhance cybersecurity posture, has included USD 15 Bn for cybersecurity in the 2019 U.S. President's budget. Being one of the top developed nations and amongst the most targeted countries, their spend for cybersecurity is leading globally. In Europe, rapidly rising investments in key security solution segments are a response to major trends shaping the digital business landscape.

The most significant among services will be MSS delivering more than 46% of the technology category till 2023.

- Asia Pacific (APAC) was found to be the fastest-growing market for cybersecurity owing to Major cybersecurity corporations have set up their hub in APAC region for offering services
- APAC region consisting of Association of Southeast Asian Nations (ASEAN), India, China, Japan and Australia have highly skilled talent and further steps are being taken to enhance the talent pool.
- In Middle East and North Africa (MENA) region, ongoing skills shortages are driving demand for security services, especially security outsourcing, managed security services and security consulting.

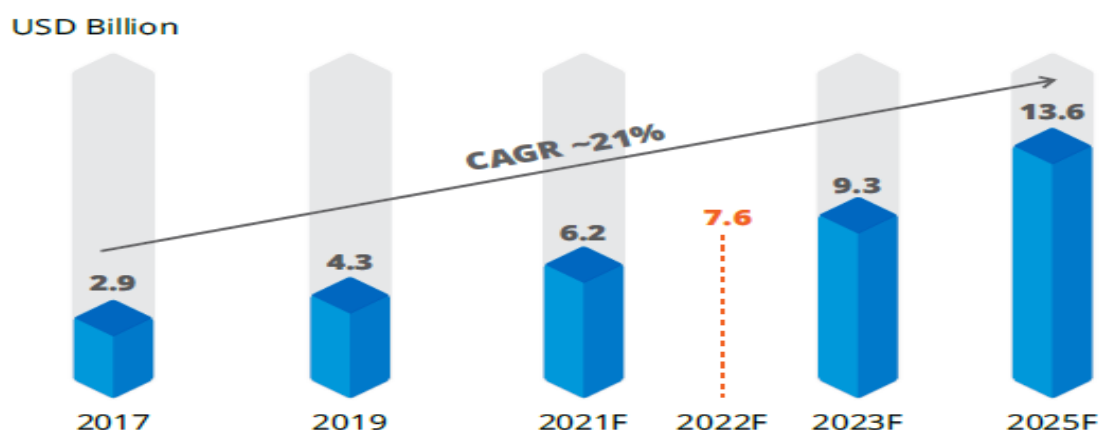
### Key underlying trends:

- Security services represent at least 50% of security software delivery by 2020.
- More than 40% of the organizations are anticipated to spend additionally on security services owing to rising risk management and privacy concerns within digital transformation initiatives through 2020.
- By 2020, nearly 50% of the security software delivery is expected to be driven by managed and subscribed services (security as a service).

(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

### INDIAN CYBERSECURITY SERVICES INDUSTRY TO REACH 7.6 BILLION IN 2022, REGISTERING AN OVERALL CAGR OF ~21% BY 2025.

#### Indian Cybersecurity services Industry to reach 7.6 billion in 2022



(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

#### End-user revenue segmentation 2019 (USD Billion) BFSI, IT & Telecom major revenue generating verticals



Others include: Retail, Utilities and Healthcare

- ~80% revenue coming from global market
- Highest revenue generating service line – MSS
- Highest revenue generating segments
- TVM and Infrastructure & Cloud Security
- System Integrators contribute ~95% of the revenue followed by consulting and OEM's

(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

#### Factors are contributing to this high growth rate.

The study shows that three factors are significantly driving the cyber security demand market in India—digital growth, increase in cyberattacks and stringent regulatory mandates.

(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)

According to experts, 75% of companies are offering cloud security solutions and the demand for cybersecurity on cloud and through cloud is going to grow further in the future. Also, Identity and Access Managementservices backed by blockchain will play a key role in digital business initiatives, thus creating digital Value. Analytics-based authentication techniques and Zero Trust Network Access (ZTNA) are becoming prominent models for IAM and Privileged Access Management (PAM).

Data protection & privacy offerings, further fueled by regulatory guidelines such as Indian Draft Personal Data Protection Bill and General Data Protection Regulation (GDPR). Companies are offering new services such as virtual Chief Information Security Officer (CISO) and Data Protection Officer (DPO).

(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

## Cyber Security Services

Security testing and incident response to lead growth in demand for cyber security services. The cyber security services market has been classified in five categories for clearer understanding, viz. security consulting, security implementation, security testing, security operations and incident response:

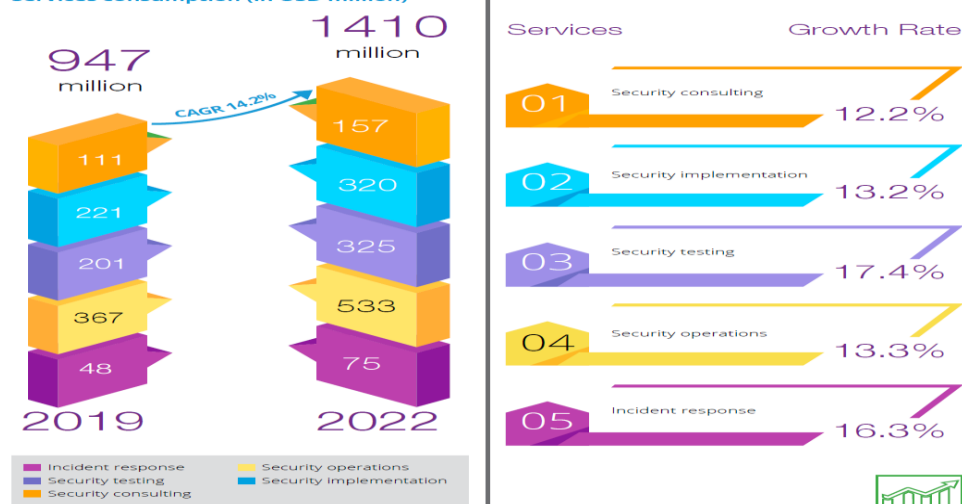
Security testing is expected to grow at the fastest rate due to rapid digitization, increase in the number of connected devices and increased integration between information technology and operational technology.

Incident response related services are growing due to increase in number and complexity of security breaches. Organizations proactively resort to cyber forensics to address vulnerabilities in security systems, post a breach.

Security operations continues to be the most dominant service category, occupying 38% of the service mix. Organizations are investing in services for visualizing new threats, monitoring them continuously, adhering to compliance guidelines and defusing potential breach incidents in the consistently widening zone of cyberthreats.

### Security testing and incident response to lead growth in demand for cyber security services

Services consumption (in USD million)



(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)



## Security Testing Services

The security testing services market includes penetration testing, web testing, application security, audits and reviews. It is estimated that the security testing services market in India would increase from USD 201 million in 2019 to USD 325 million by 2022, at a CAGR of 17.4%. Security testing services will comprise 23% of the services market share, as against 21% share in 2019.

| 01                                                                                                                                                                                                     | 02                                                                                                                                                                                                                            | 03                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Connected devices and rapid increase of IoT requires better security testing of the same. According to a NASSCOM report, the number of IoT devices in India are expected to reach 1.9 billion by 2020. | Stringent regulatory mandates related to cyber security have made it essential for organizations to invest in security testing. The RBI started this regulatory practice and more regulations across industries are expected. | Businesses are expected to plan spending a significant share in performing Red/Blue and Purple team assessments to test detection and response capabilities of security systems. |

(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)

## Evolution of attacks

Cyberattacks in the BFSI sector have evolved from merely being about cybercrime to efforts in crippling the economy. Sophistication of cyberattacks are increasing as financial institutions (FIs) continue to learn and bounce back from less sophisticated attacks. Hackers are exploring new attack channels and deploying multi-vector attacks. In-order to maximize returns from cyberattacks, hackers are increasingly targeting 'core banking systems.

## Sectoral Analysis

- BFSI,
- IT/ITeS and
- Government

are the top 3 sectors with the largest market share in cyber security expenditure in India.

## BFSI

The importance of India's BFSI sector makes it a prime target for hackers.

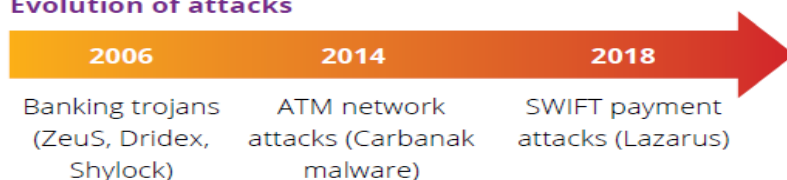
The BFSI sector accounts for 26% of the total expenditure in the cyber security market. The sector is expected to increase its expenditure to USD 810 million from the existing USD 518 million by 2022, at a CAGR of 16.1%. The growth can be attributed to several factors such as tightened directives from regulators, rapid adoption of technologies like digital lending, utility payments, e-commerce, online insurance marketplaces and mobile banking— to drive operational efficiency and customer convenience.

- Digital disruption has forced companies to take a look at their digital strategies. Digital payments in India will increase from USD 64.8 billion in 2019 to USD 135.2 billion in 2023, at a CAGR of 20.2%.
- Innovation in payments technology using AI, blockchain, IoT and real-time payments, and the introduction of mobile point of sale (POS) devices has also contributed to the growth of potential security risks.

The nature of services provided by the BFSI sector has resulted in the sector being governed by detailed prescriptive guidelines and regulations.

- Regulations are becoming 'granular' and 'tighter' and at the same time, more segments of regulations are coming into the ambit.
- Risks due to usage of legacy systems and applications remain high, but regulators are also considering risks being brought by emerging technologies to the BFSI sector.
- Increased enforcement of cyber security laws and rules. For example, between January and February 2019, the RBI levied stringent fines (USD ~10.16 million) on 36 public, private and foreign banks for non-compliance with cyber security rules.

## Evolution of attacks



Cyberattacks in the BFSI sector have evolved from merely being about cybercrime to efforts in crippling the economy.

- Sophistication of cyberattacks are increasing as financial institutions (FIs) continue to learn and bounce back from less sophisticated attacks.
- Hackers are exploring new attack channels and deploying multi-vector attacks.
- In-order to maximize returns from cyberattacks, hackers are increasingly targeting 'core banking systems'.

(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)

## Threats and awareness on privacy are driving the demand for cyber security in the IT and ITeS sector

The cyber security spend in the IT/ITeS sector is expected to grow from USD 434 million in 2019 to USD 713 million by 2022, at a CAGR of 18% – the highest among all sectors.

It is estimated that by 2021, there will be 1.5 networked devices per individual.<sup>30</sup> With the IT sector being one of the largest employers globally, there is a huge upsurge expected in the number of end points, which have lately been identified as the most vulnerable point of entry for cyberattacks.

(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)

## Government's push for cyber security is largely driven by the Digital India initiatives.

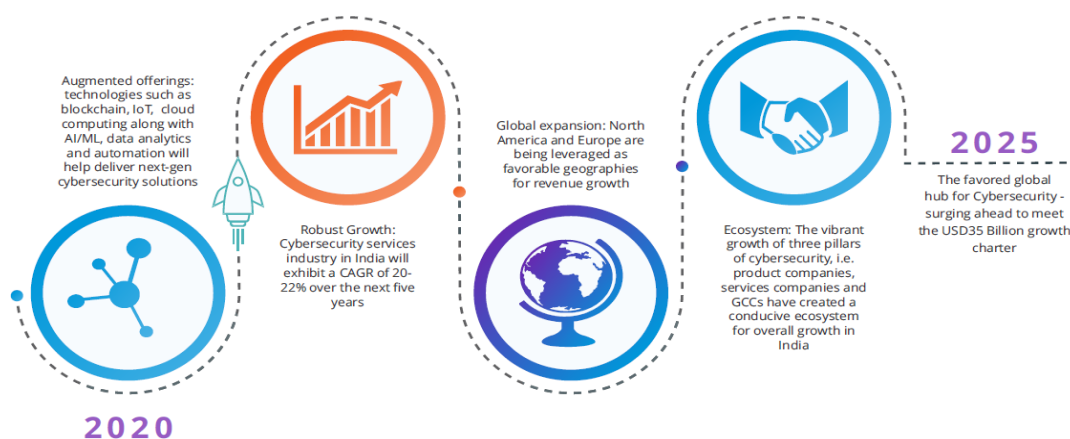
The cyber security market in the government sector is estimated to grow from USD 395 million in 2019 to USD 581 million by 2022, at a CAGR of 13.8%. This growth is primarily driven by increased focus on digitization of government systems and rising cyberattacks on critical state infrastructure.

(Source: DSCI Report – Cybersecurity India Market what lies beneath, December 2019)

## ROAD AHEAD

Over the next five years, holistic next-gen security service offerings, growing global footprint, and a conducive business ecosystem are set to make India a favorable hub for cyber security services.

The Industry is now moving towards establishing itself as a global hub for Cyber Security. Government of India is enabling talent and skills development in Cyber Security in both Academia and Industry to build the next-gen technology competencies for Cyber preparedness of Global enterprises



(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)

## **COVID-19 IMPACT ON CYBERSECURITY ADOPTION AND INCREASE IN THREAT VECTORS.**

- The efforts taken by organizations to ensure business continuity during the COVID-19 pandemic have also increased their exposure to cyberthreats.
- Large-scale adoption of work-from-home technologies and heightened activity on customer-facing networks has increased the overall surface area of cyberattacks.
- While the world is focused on the health and economic threats posed by COVID-19, cyber criminals around the world undoubtedly are capitalizing on this crisis.
- Enterprise spending on cloud security solutions is predicted to increase from \$636 Mn in 2020 to \$1.63 Bn in 2023.
- IT spending on cyber is increasing; however, lack of strategized cyber spending plans is leading to increase in cyberattacks, 70% of all breaches originate at endpoints.
- In the US, 87% of enterprises across all sectors witnessed mobile threats which grew at the fastest rate in 2019, outpacing other threat types, based on Verizon's 'Mobile Security Index 2019'.
- There has been a 667% increase in spear-fishing e-mail attacks related to COVID-19, since the end of February 2020.

*(Source: DSCI Report – India Cybersecurity Services Landscape, A Global Hub in the Making 2020)*

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “*Forward-Looking Statements*” beginning on page 14 of this Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “*Risk Factors*” beginning on page 21 of this Prospectus, 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI ICDR Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 21 and 137, respectively. In this section, unless otherwise stated, references to “AAA Technologies Limited” or “Company” or “AAA” or to “we”, “us” and “our” refers to AAA Technologies Limited.

### OVERVIEW

We are an Information Technology and Information Security Auditing & Consulting Company offering a platform that enables organizations to identify the issues of corporate governance of the information system in computerized environment and execute security controls to safeguard information and information system.

Our Company offers IT audit services like Information System Audit, Cyber Security, IT Assurance & Compliance, Information Security and IT Governance to BFSI, Government, Regulatory Agencies and Public and Private Sector Organizations.

To Procure business from BFSI, Government, Regulatory Agencies and Public Sector Companies we bid for tenders available for CERT-In empaneled IT Security Organizations; and NICSI a company under National Informatics Centre, Ministry of Electronics and Information Technology, GOI for providing and procuring IT solutions for multiple E-governance projects undertaken by NIC, MeitY, Governments, Government Organization and PSU. CERT-In is the national nodal agency for cyber security in India as per Sec 70B of Information Technology Act, 2008. Our Company is also empanelled with government bodies, PSU's and banks to directly procure business from them, for details refer the chapter titled “*Our Business*” on page 90 of this Prospectus.

Our Company has kept its focus on Information Security Auditing & Consulting keeping in view the vast scope of work in the existing and the untapped areas. As a result, our Company has been able to build its resources capable of auditing operating systems, networking, IDS, web application, ERP, ATM, core banking, forensic, websites, computer crime investigations etc.

Over the years our Company has successfully completed audits of Companies/ Institutions across various industries like banking, insurance, Financial Institutions, NBFCs, Regulatory Bodies, Government, Municipalities and Panchayats, Payment Gateways, Stock Brokers, Education, Travel and Transport, Hospitality, Manufacturing and Engineering, Infrastructure, Healthcare, Information Technology, IT Enabled Services (ITeS), Ports, Power, Trading Corporations, Entertainment, E-Tendering, Defense and refineries which has enabled the Company become sector-agnostic and consequently it has no dependency on any single industry for procuring business.

Our Company is an ISO 9001:2015 and ISO 27001:2013 accredited Company.

Our operations are supported by a competent team who are responsible for timely deliveries, pointing out threats to the clients (if any) and giving pertinent solutions to mitigate the potential risks from security threats. Our team comprises of 64 people located at our Mumbai and Delhi offices.

Our Company is promoted by experienced professionals i.e., Mr. Anjay Agarwal who has over 28 years of experience, with 25 years' experience in Information Security Audit. and is a CRISC (USA), CGEIT (USA), CISA(USA), CFE(USA), CIA(USA), ABCI(UK), FCA, ACMA, ACS, B. Com, LLB (Gen), ISA, PGDFERM, DIRM, BS7799 Certified Lead Implementer, ISO 27001 Certified Lead Implementer, ISO 27001 Certified Lead Auditor, BCMS Certified Lead Implementer, CEH,ECSA, LPT, CFAP-IT, COBIT Foundation, COBIT

Implementer, COBIT Certified Assessor; and Mr. Venugopal Dhoot who has more than 35 years of experience, with 17 years' experience in Information Security Audit, and is a B. Com (Hons.), LLB, FCA, DISA and DIRM. For detailed biographies of our Promoters refer chapter titled "Our Promoter and Promoter Group" on page 129 of this Prospectus.

The registered office of the Company is situated at 278-280, F Wing, Solaris I, Saki Vihar Road, Opposite L&T Gate No. 6, Powai, Andheri East; Mumbai – 400072.

Our Company is empanelled and/or registered with the following institutions/organizations, which facilitate procurement of business.

| Sr. No. | Authority                                                                                                         | Registration Number/Code                                                     | Validity                                                                                                                                                                                                                             |
|---------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Indian Computer Emergency Response Team (CERT-In)                                                                 | Letter dated December 22, 2016 and email dated April 23, 2020                | October 31, 2020                                                                                                                                                                                                                     |
| 2.      | National Informatics Centre Services Inc. (NICS)                                                                  | Letter dated December 20, 2018.                                              | The empanelment can also be used by NIC. It is valid for 3 years in the first instance from the empanelment. It may be extended for another 2 years depending upon the need of NIC /NICS's project requirements with mutual consent. |
| 3.      | Bank of Maharashtra                                                                                               | Letter No. AXI/ISNP/IS AUDIT FIRMS/EMPANELMENT/10/2019 dated October 4, 2019 | October 3, 2021                                                                                                                                                                                                                      |
| 4.      | Canara Bank                                                                                                       | DIT-826/AP&M-83/EOI-01/18                                                    | April 10, 2021                                                                                                                                                                                                                       |
| 5.      | Canara Bank Regional Rural Banks Project Office in Canara Bank RRB's (Karnataka Gramin Bank & Kerala Gramin Bank) | PMO:278:2019-20                                                              | April 10, 2021                                                                                                                                                                                                                       |
| 6.      | Office of Controller of Certifying Authorities                                                                    | 11(6)/2018-CCA/106807-815                                                    | June 30, 2022                                                                                                                                                                                                                        |
| 7.      | Corporation Bank                                                                                                  | IAD:ISAC:EMP:0142:2017-18                                                    | November 28, 2020.                                                                                                                                                                                                                   |
| 8.      | Federal Bank                                                                                                      | 2/2018/FBL/IT                                                                | March 31, 2021                                                                                                                                                                                                                       |
| 9.      | State Bank of India                                                                                               | Service Level Agreement dated 13.08.2018                                     | June 23, 2023                                                                                                                                                                                                                        |
| 10.     | Life Insurance Corporation                                                                                        | CO-IT/BPR/CSD/2017-2018/2                                                    | 5 Years                                                                                                                                                                                                                              |
| 11.     | State Bank of India                                                                                               | Mail dated August 20, 2020                                                   | March 31, 2023                                                                                                                                                                                                                       |

Our Company has grown in size and has obtained various accreditations and has won many prestigious awards over the past few years, the details of which are as under:

| Awards                                    | Year | Description                                                                          |
|-------------------------------------------|------|--------------------------------------------------------------------------------------|
| The CEO Magazine                          | 2019 | Company of the Year 2019, recognition for excellence in IS Audit and Cyber Security. |
| Business Connect                          | 2019 | Brand of the Year                                                                    |
| Business Connect                          | 2019 | Companies of the Year, 2018-19                                                       |
| The CEO Magazine                          | 2018 | 50 Fastest Growing CEOs in India                                                     |
| The CEO Magazine                          | 2018 | Company of the Year 2018, recognition for excellence in IS Audit and Cyber Security. |
| Prime View, The Home of Business Solution | 2018 | Most Admire Companies to watch in 2018                                               |
| CIO Review India                          | 2017 | 20 Most Promising Cyber Security Solution Providers                                  |
| Silicon Review                            | 2017 | 50 Best Indian Founded Companies                                                     |
| Insights success                          | 2017 | 10 Most Trusted Cyber Security Companies                                             |
| The CEO Magazine                          | 2017 | Company of the Year 2017, recognition for excellence in IS Audit and Cyber Security. |
| NBC                                       | 2011 | Best Security Agency                                                                 |

|                                                    |         |                                                                                                                         |
|----------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------|
| Quality Brands 2011-13                             | 2011-13 | For Excellence in their respective field as selected by the Executive Member of Advisory Board.                         |
| International Achievers Conference                 | 2011    | For Recognizing outstanding achievements at International Achievers Summit on Globalisation of Industries & World Peace |
| Newsmaker Broadcasting Corporation                 | 2011    | Best Cyber Security Organization                                                                                        |
| Indian Economic Development & Research Association | 2011    | Indian Achievers Award, 2011 for Industrial Excellence                                                                  |
| Maharashtra State Government                       | 2009    | Maharashtra IT Award, 2009                                                                                              |

## OUR COMPETITIVE STRENGTHS

### **Quality of Services**

Our Company has been accredited with “ISO 9001:2015” and ISO 27001:2013 certification for Quality Services by Pyramid Certifications LLP respectively for providing services for Consultancy in IT Governance, IS Audit, Information Security, Cyber Security, Compliance and Assurance including Management Systems. We adhere to quality standards as per industry standards; hence we get repetitive work order from our clients, as we are capable of meeting their quality standards, which enables us to maintain our reputation in the industry.

### **Diversified services across several industries**

Our company provides one- stop solutions to our clients with respect to diverse services through a team of well competent practiced professionals who responsibly handle the process right from its inception to its conclusion. We are well equipped with the experience and knowledge for implementation to complex situations, allowing us to target clients in the industry. Our team of professionals comprehend the complication of the industries we serve. We believe that our diversified service portfolio and our ability to handle the complete diverse requirements of our clients, supported by our qualified and experienced team, will significantly contribute to our growth in this IT audit space.

### **Low dependency on Debt and Controlled Overheads**

Since our incorporation, we have always been well capitalized through equity from our Promoters and now through this issue we further propose to improve our equity capitalizations. We believe that this would help us raise debts and when required in the future as well as ensure our long-term sustainability.

### **Profitable track record, strong balance sheet and stable cash flows**

We have a proven track record of operations and have a strong balance sheet as well as stable cash flows. Growth in our revenue, EBITDA Adjusted for Other Income and PAT in the last three fiscals is set out below:

| Parameter                                     | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
|-----------------------------------------------|-------------|-------------|-------------|
| Total Revenue (₹in Lakhs)                     | 1,424.74    | 1,047.49    | 1,040.00    |
| Revenue from operations (₹in Lakhs)           | 1,415.53    | 1,033.91    | 1,023.45    |
| EBITDA Adjusted for Other Income (₹in Lakhs)  | 500.50      | 294.05      | 130.04      |
| EBITDA Adjusted for Other Income Margin * (%) | 35.36%      | 28.44%      | 12.71%      |
| PAT (₹in Lakhs)                               | 369.80      | 206.02      | 99.97       |
| PAT Margin^ (%)                               | 25.96%      | 19.67%      | 9.61%       |

\* EBITDA Adjusted for Other Income Margin is calculated as EBITDA Adjusted for Other Income / Revenue from operations

^ PAT Margin is calculated as PAT/ Total Revenue

### **Well-educated Experienced Promoters and Key Managerial Persons**

Our Company is promoted by Mr. Anjay Agarwal, Mr. Venugopal Dhoot and Mrs. Ruchi Agarwal who individually have more than 28 years, 35 years and 15 years of experience respectively. Further, our board of directors are supported by a team of well experienced and qualified personnel. For further details regarding the educational qualifications and experience of our Promoters and our Key Managerial Personnel, please refer to chapter titled “Our Management” beginning on page 114 of this Prospectus. We believe that our management team’s experience and their understanding of the IT industry, will enable us to continue to take

advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business.

Our Key Managerial Personnel bring substantial experience and in-depth knowledge of Information Security Auditing & Consulting Company. We have also brought in other experienced professionals from the industry. We believe that our management's capabilities, strong reputation, extensive network of industry relationships, and wide-ranging experience in the industry will continue to help us to grow, modernize, and develop further. Our Board of Directors and the Key Managerial Personnel have been responsible for undertaking a number of initiatives to enhance the business focus of our Company by upgrading processes, technology, and human resources.

For further details, please see "*Our Management*" beginning on page 114 of this Prospectus.

### **Long-term relationships**

We help our clients in identifying potential threats and mitigate the risks from potential IT frauds. To ensure safety from IT frauds, timely audit is necessary which can be achieved through long term relationship with client. We work on creating long-term relationship with our clients and our team works closely with them to understand their short-term and long-term goals.

### **OUR STRATEGIES:**

#### **Better working capital management**

Our Company procures clients by bidding for tenders for which Company has to pay Earnest Money which is refundable once the Order is awarded to us or any other applicant. Once the Company receives the Order, it has to furnish Security Deposit by way of Bank Guarantee (BG) which is refundable once the contract is completed. Further, the Company receives fees from its Clients in one or two tranches during the entire tenure of the Contract depending on successful completion of milestone or receipt of final clearance for completion of Audit from the authorities concerned. Thus, we are required to provide sufficient credit period to our clients resulting in high receivables and at the same time, being in service industry we do not enjoy credit from our suppliers. To increase our scale of operations, we require to bid for further tenders and give Earnest Money Deposit/Security Deposit which is usually refunded once the contract is awarded. Subsequent to that, our Company may need to provide Performance Guarantee which needs to be obtained from our Bank towards which the adequate deposits need to be in place with the Bank. Besides, this we have provide extended credit period to our customers. This requires us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. This strategy requires a strong working capital position. Hence, we intend to raise funds from the IPO and ensure we have available liquidity and resources ensuring better working capital management both in terms of our ability to bid for further and larger orders and also by way having financial strength to sustain the high receivables cycle.

#### **Expansion of our Service Portfolio**

With the requisite knowledge and experience in the industry, we already offer various services in IT Audit Services. However, this being a niche industry, there lies an opportunity to expand our service portfolio. We continue our aim to provide increased service offerings to our clients which will help us retain them through better relationship and service and increase our client base. With the strength of our team, we believe we will be in a comfortable position to take strategic decisions relating to betterment of our company and as and when the opportunity presents, consolidate our range of services and our presence.

#### **Strengthen the brand name**

We intend to further increase the brand recognition through improved quality of services, communication and various initiatives, like bidding for various tenders, timely delivery of audit reports, empaneling with different organizations etc. The same would enhance the visibility of our brand name and enhance our position and image in the industry. This is also in line with the fact that we will be the first listed Company in our industry in India and once we are a listed company on the SME Platform, our visibility will further improve.

### **Minimize concentration risk by diversifying the portfolio of services and expanding our customer base**

We intend to further improve the diversity of our service portfolio to cater to the various needs of our clients and increase the income derived from IT Audit services. We intend to leverage our office network to develop complementary business segments and become the preferred provider of IT Audit services - a one-stop shop for our customers' audit needs. We expect that our diverse revenue stream will reduce our dependence on any particular service which will enable us to spread and mitigate our risk exposure to any particular industry, business, and geography or customer segment. Offering a wide range of service helps us to attract more customers and to increase our scale of operations.

### **Continue to attract and retain talented employees and ensure a low attrition rate among senior management**

As part of our business strategy, we are focused on attracting and retaining high quality talent. We recognize that the success of our business depends on our employees, in particular, as we continue to expand our operations. We have recruited and retained talented employees. We expect to continue to attract talented employees through our retention initiatives. We intend to invest a significant amount of time and resources for training our employees, which we believe would foster mutual trust, improve the quality of our customer service and place further emphasis on our continued retention.

### **SWOT ANALYSIS**

|                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>STRENGTHS</b> <ul style="list-style-type: none"><li>✓ Quality of Services</li><li>✓ Diversified services across several industries</li><li>✓ Low dependency on Debt and Controlled Overheads</li><li>✓ Profitable track record with strong EBIDTA and PAT margins, strong balance sheet and stable cash flows</li></ul> | <b>WEAKNESSES</b> <ul style="list-style-type: none"><li>✓ High Credit Period</li><li>✓ Allocation of work through tender process</li></ul>                                      |
| <b>OPPORTUNITIES</b> <ul style="list-style-type: none"><li>✓ Huge Growth Potential in our service segment; the industry is at its nascent stage</li><li>✓ Favorable Government Initiatives</li><li>✓ "Digital India" initiative of Government of India</li></ul>                                                           | <b>THREATS</b> <ul style="list-style-type: none"><li>✓ Likely Competition from Local &amp; Big Players</li><li>✓ Cancellation of empanelment with Cert-In &amp; NICSI</li></ul> |

### **LOCATION:**

#### **Registered Office:**

278-280, F Wing, Solaris I, Saki Vihar Road, Opp L&T Gate No. 6, Powai, Andheri East, Mumbai– 400072.

#### **Offices:**

**Mumbai:** 187, F Wing, Solaris I, Saki Vihar Road, Opp. L&T Gate No. 6, Powai, Andheri East, Mumbai – 400072.

**Delhi:**E-15, Ground Floor Basement, Lajpat Nagar I, New Delhi - 110024

### **About the Company**

Our Company was incorporated at Mumbai as AAA Technologies Private Limited, a Private Limited Company under the provisions of Companies Act, 1956 pursuant to Certificate of Incorporation dated 03<sup>rd</sup> October, 2000 issued by the Registrar of Companies, Maharashtra at Mumbai.

Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an EGM held on 16<sup>th</sup> July, 2020. Consequently, the name of our Company was changed to



'AAA Technologies Limited' and a fresh certificate of incorporation, consequent upon conversion to a public limited company, dated 03<sup>rd</sup> August, 2020 was issued by the Registrar of Companies, Maharashtra, Mumbai.

### **Main Objects of our Company as per Memorandum of Association**

1. To carry on the business of providing auditing and consultancy services encompassing areas such as Information Systems, Information Security, Cyber Security, Information Technology Assurance and Compliance, and Information Technology Governance and act as auditors, consultants, advisors, developers, consulting engineers, trainers, instructors in above such activities whether in the capacity of principals, agents, contractors or subcontractors.
2. To carry on the business of Information Processing, Information technologist, Internets Web, E-Commerce, E-mail services, Web page designing, Web page hosting. Web page surfing and as consultant advisors, developer, consultant engineers, system analysts, system engineers, trainer and instructors in computer hardware, computer software, computer programming, data processing, storage and retrieval data analysis, market analysis and other related activities whether as principals, agents, contractors, sub-contractors, or executing the same on turn-key basis either independently or in collaboration with others.
3. To set up and carry on the business activities of and on networks whether wired, wireless or any based on other technology including the activity of creating the networks and provide online services and solutions of all kinds in relation to and including developing portals, site hosting and management, consulting, intranets and extranets, electronic commerce, virtual networks, virtual reality systems and incidental activities and to do all activities for procurement and protection intellectual property rights and incidental rights for these activities.

### **OUR BUSINESS OPERATIONS AND SERVICES**

#### **Details of Services Provided by the Company**

Our Company is an Information Security Auditing & Consulting Company and our services are broadly classified as:



**Details of services provided by us are:**

## **I. INFORMATION SYSTEMS AUDIT (IS Audit)**

It is an examination of the management controls within an Information technology (IT) infrastructure. The evaluation of obtained evidence determines if the information systems are safeguarding assets, maintaining data integrity, and operating effectively to achieve the organization's goals or objectives.

**Following are the types of audits conducted by our Company which can be classified under IS Audit:**

- Operating Systems Audit
- Data base Audit
- Networking Audit
- Firewall Audit
- IDS Audit
- Web Application Audit
- Data Centre Audit
- ATM Audit
- ERP Audit
- Internet Banking Audit
- Core Banking Audit
- Performance Auditing
- Forensic Auditing
- Application systems – Functional review
- Compliance with IS policies and procedures
- Data Migration Audit

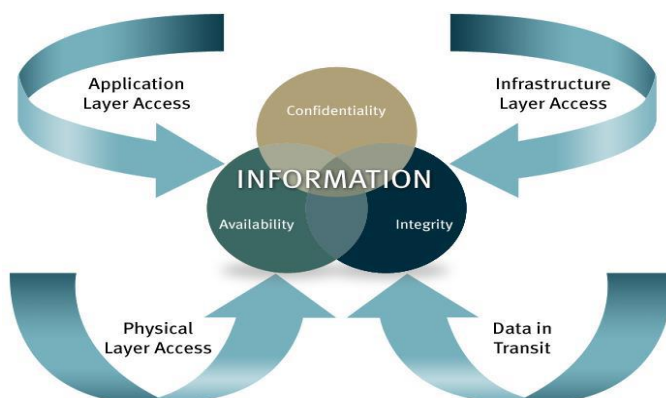
## **II. INFORMATION SECURITY AUDIT**

It is an audit on the level of information security in an organization. Most commonly the controls being audited can be categorized to technical, physical and administrative. Auditing information security covers topics from auditing the physical security of data centers to auditing the logical security of databases and highlights key components to look for and different methods for auditing these areas.

When centered on the IT aspects of information security, it can be seen as a part of an information systems audit. It is often then referred to as an information technology security audit or a computer security audit. However, information security encompasses much more than IT.

Within the broad scope of auditing information security there are multiple types of audits, multiple objectives for different audits, etc.

It is conducted on the following basic Principles of audit and can be classified as:



**Following are the types of audits conducted by our Company which can be classified under Information Security Audit:**

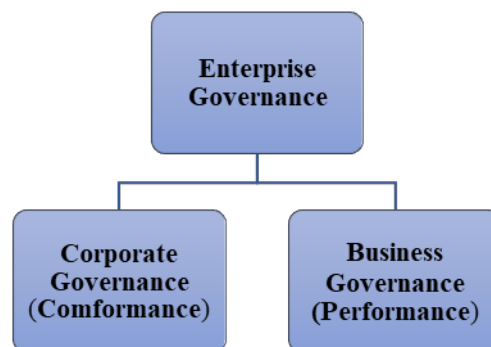
- Penetration Testing
- Application systems – Security review
- Review of IS Controls
- BS 7799/ ISO 27001 Implementation
- Formation of IS Security Policy
- Compliance with IS policies and procedures

### **III. IT GOVERNANCE**

IT Governance is the system by which IT activities in a Company or enterprise are directed and controlled to achieve business objectives with the ultimate objective to achieve stakeholder needs.

IT governance emphasizes Information Technology Systems, their risk management, and its performance. It ensures that the investments made on IT yield fruitful results, which mitigate IT-associated risks and threats.

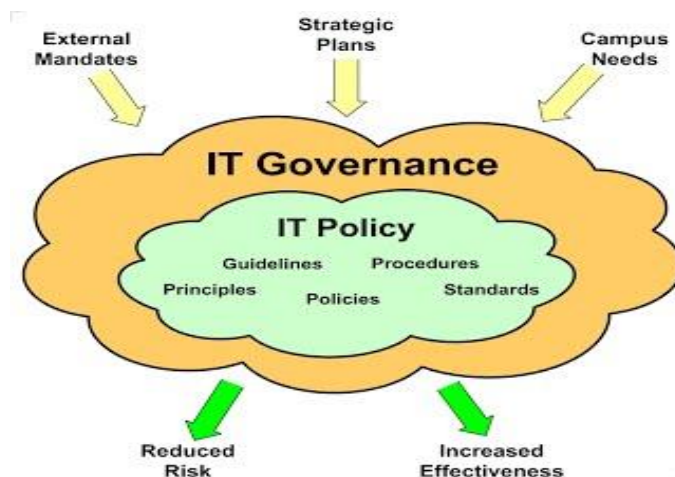
**IT Governance It can be divided in two parts:**



**IT Governance helps to optimize the value of an organization's IT-enabled investments by:**

- Establishing the governance, monitoring and control framework
- Providing strategic direction for aligning projects with strategic goals and objectives (Enterprise Portfolio management)
- Facilitating system selection to align objectives with solutions
- Reviewing quality assurance and organisational readiness capabilities (people and tools)

**Why do you need IT Governance?**



**Broadly our Company provides IT Governance audits according to following standards / models**

- **COBIT** - Control Objectives for Information and Related Technology. It is a framework created by the ISACA (Information Systems Audit and Control Association) for IT governance and management.
- **Val IT** - is a governance framework that can be used to create business value from IT investments. It consists of a set of guiding principles and a number of processes and best practices that are further defined as a set of key management practices to support and help executive management and boards at an enterprise level.
- **Balanced Scorecard** - Balanced scorecard is a strategy performance management tool – a semi-standard structured report, that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions.
- **IT & Business Maturity Models**

#### **IV. IT ASSURANCE & COMPLIANCE**

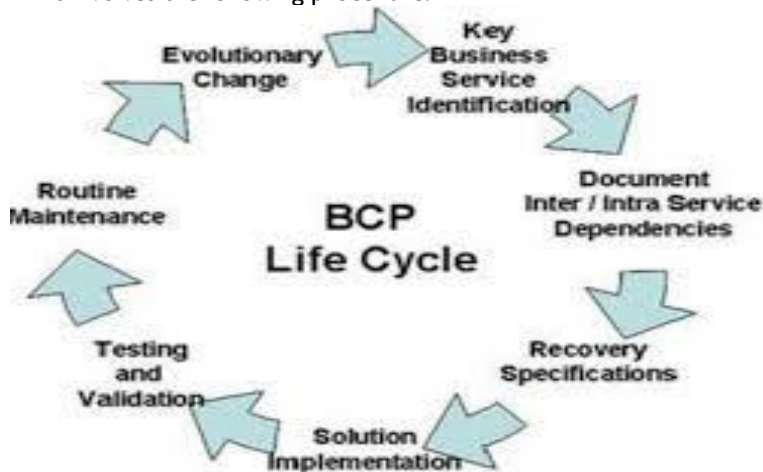
Broadly our services in IT Assurance & Compliance consist of

- a. Business Continuity Planning
- b. Computer Crime Investigations
- c. Training in Information Technology
- d. Compliance with IS policies and procedures

##### **a. Business Continuity Planning**

It is the process a company undergoes to create a prevention and recovery system from potential threats such as natural disasters or cyber-attacks. BCP is designed to protect personnel and assets and make sure they can function quickly when disaster strikes.

It involves the following procedure:



##### **b. Computer Crime Investigations**

This involves audit of any crimes committed, likely to be committed or can be committed by anyone having access to the computer systems of the Company. It ranges from recovering file systems on computers that have been hacked or damaged test security systems that are currently in place this can be done by trying various ways to hack into the corporation's computer networks. At corporations, computer crime investigators also maximize optimal computer system performance levels.

##### **Computer Crime involves:**

- *Analysing computer system crimes.*
- *Recovering data that was either destroyed or damaged.*
- *Gathering evidence*
- *Gathering computer system information.*
- *Maximizing optimal computer system performance levels.*

- *Reconstructing damaged computer systems.*
- *Preparing expert reports on highly complex technical matters.*
- *Testifying in court.*
- *Training law enforcement on computer related issues.*
- *Draft expert testimony, affidavits, and reports.*
- *Consult with clients, supervisors, and managers.*
- *Continually develop forensic skills through outside research and training.*
- *Recover password protected/encrypted files and hidden information.*
- *Convert recovered files and information into a format that is compatible with a corporation's needs.*
- *Assess software applications for design flaws.*
- *Identify and recommend methods for preservation and presentation of computer evidence.*
- *An ability to work and collaborate well with a team.*

**c. Training in Information Technology**

**d. Compliance with IS policies and procedures**

**V. CYBER SECURITY AUDIT**

The objective of a cyber security audit is to provide Management with an assessment of an organization's cyber security Policies and procedures and their operating effectiveness. Additionally, cyber security audits identify internal control and Regulatory deficiencies that could put the organization at risk.

**Primary security and control issues for cyber security audits are:**

- *Protection of sensitive data and intellectual property;*
- *Protection of networks to which multiple information resource are connected;*
- *Responsibility and accountability for the device and information contained in it;*

**The scope of a cyber security audit includes:**

- *Data security policies relating to the network, database and applications in place;*
- *Data loss prevention measures deployed;*
- *Effective network access controls implemented;*
- *Detection/prevention systems deployed;*
- *Security controls established (physical and logical);*
- *Incident response program implemented.*

There are many approaches available for specifying cyber security control environments, such as NIST Special Publication (SP)800-53 Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations.<sup>2</sup> SP 800-53 provides guidelines for selecting and specifying security controls for information systems supporting executive agencies of the federal government. It is prescriptive in nature, contains detailed definitions, and may help organizations develop their own overarching cyber security process(es).

**An Audit in Three Parts**

The cyber security audit and review process contribute to cyber security audit success. Internal auditors and risk management professionals have key roles to play, as does enterprise management.

**Management** — Management ultimately owns the risk decisions made for the organization. Therefore, it has a vested interest in ensuring that cyber security controls exist and are operating effectively. Decisions are typically made based on guidance received during the risk management processes, on the appropriate direction to take.

**Risk Management** — Risk assessments are typically made based on guidance by the security officer at an organization and enterprise management make decisions, employing risk management processes. The objective in any risk assessment is twofold.

First, it is critical to communicate the state of the risk so that it is easy to understand and be clear on the level of risk involved.

Secondly, and just as significantly the ways in which to address that risk must be identified as well. This provides both problem and solution, and mitigates the negative impact of that risk to an enterprise.

The risk landscape is ever-changing. It is important to have defined processes, trained and competent cyber security resources, and a governance framework to ensure that appropriate actions are carried out by enterprise leadership and managed effectively to address current and emerging threats.

**Internal Audit** — Auditing is a security measure. It is critical to protecting an enterprise in today's global digital economy. The internal audit department plays a vital role in cyber security auditing in many organizations, and often has a dotted-line reporting relationship to the audit committee to ensure an independent view is being communicated at the board level of the enterprise. Audit helps enterprises with the challenges of managing cyber threats, by providing an objective evaluation of the controls and making recommendations to improve them as well as assisting the senior management and the board of directors understand and respond to cyber risks. Organizations, especially within the public sector, also contract for the services of external auditors to provide independent assurance of the financial and operational controls primarily to ensure the controls design is effective and the needs of the organization are being met.

#### **Services Provided by our Company under cyber security**

- *Formation of Cyber Security Policy*
- *Formation of Cyber Security Procedures*
- *Formation of Cyber Crisis Management Plan (CCMP)*
- *Compliance to regulatory guidelines for Cyber Security.*

#### **MANNER OF PROCURING BUSINESS**

Incorporated in 2000, our Company has grown since then in terms of revenue, clientele and reputation. Our Company caters to both Private and Public segment organizations. A substantial amount of our revenue is comprising of clients from tendering process by procuring bids from CERT-In empanelled IT Security Organization and NICSI.

##### **Order Procurement Process**

##### **i. Indian Computer Emergency Response Team (CERT- In)**

CERT-In is the national nodal agency and regulatory body for responding to computer security incidents as and when they occur.

In order to procure business from CERT-In empanelled IT Security organizations, we have to get empanelled with it, the empanelment is valid for a period of 3 years from the year of empanelment, subject to complying with terms & conditions of empanelment.

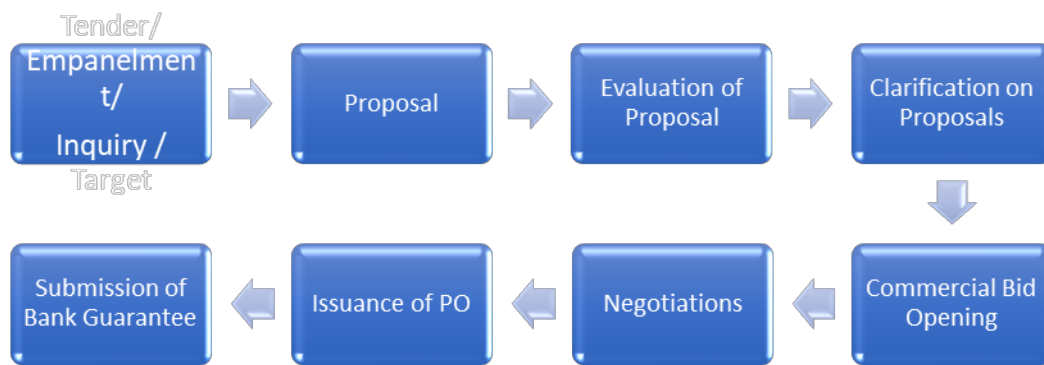
##### **One of the key criteria for empanelment are as follows:**

Should have personnel with information security related qualifications like:

- a. Certified Information Systems Security Professional (CISSP), or
- b. Certified Information Security Manager (CISM) of ISACA, or
- c. Certified Information Systems Auditor (CISA) of ISACA, or
- d. Diploma in Information Systems Audit (ISA or DISA) of ICAI, or
- e. Any other formal IT Security related qualification

Our Company fulfils all the above criteria and holds valid empanelment. For details of empanelment refer Chapter 'Government and Other Key Approvals' on page 174 of this Prospectus.

Process of getting bids from CERT-inempanelled IT Security Organizations:



ii. **National Informatics Centre Services Inc.**

NICSI is a company under National Informatics Centre, Ministry of Electronics and Information Technology, GOI for providing and procuring IT solutions for multiple E-governance projects undertaken by NIC, MeitY, Governments, Government Organization and PSU.

## PROJECT LIFECYCLE AT NICSI



## TOOLS USED FOR CONDUCTING AUDITS

Our Company has heavily invested in software's which are used as tools to conduct IT Audit. Some of the tools purchased/licensed by our Company include Nessus Vulnerability Scanner, Burp Suite, Core Impact Professional, Idea Data Analysis Software, Netsparker, titania nipper studio.

## CLIENTELE

Our Company offers IT Audit services to various industries. Following is the list of industries in which our Company has offered services -

|                        |                             |                            |
|------------------------|-----------------------------|----------------------------|
| Banks                  | Education                   | IT Enabled Services (ITeS) |
| Insurance Companies    | Travel and Transport        | Ports                      |
| Financial Institutions | Hospitality                 | Power                      |
| NBFCs                  | Refineries                  | Trading Corporations       |
| Regulatory Bodies      | Manufacturing & Engineering | Entertainment              |
| Stock Exchange Brokers | Infrastructure              | E-Tendering                |
| Payment Gateway        | Healthcare                  | Defense                    |
| Government             | Information Technology      |                            |

### a) Revenue bifurcation between Public Sector & Private Sector (amount and % of total)

(Rs. in lakhs)

| Particulars      | 2020           |               | 2019           |               | 2018           |               |
|------------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                  | Amount         | %age of total | Amount         | %age of total | Amount         | %age of total |
| Public Sector    | 1208.65        | 85.39         | 962.16         | 93.06         | 900.49         | 87.99         |
| Private Sector   | 206.88         | 14.61         | 71.75          | 6.94          | 122.95         | 12.01         |
| <b>Total Rs.</b> | <b>1415.53</b> | <b>100.00</b> | <b>1033.91</b> | <b>100.00</b> | <b>1023.45</b> | <b>100.00</b> |

### b) Industry-wise revenue classification (amount and % of total).

Bifurcation for Financial Year 2019-20

(Rs. in lakhs)

| Sr. No. | Particulars                                                             | Amount | % of Total Revenue |
|---------|-------------------------------------------------------------------------|--------|--------------------|
| 1.      | Banks                                                                   | 521.38 | 36.83%             |
| 2.      | National Informatics Centre Services Inc. / National Informatics Centre | 334.44 | 23.63%             |
| 3.      | Municipal Corporation                                                   | 306.84 | 21.68%             |
| 4.      | Entertainment                                                           | 147.50 | 10.42%             |
| 5.      | Finance                                                                 | 26.33  | 1.86%              |



|     |                                                                 |                |                |
|-----|-----------------------------------------------------------------|----------------|----------------|
| 6.  | Information Technology / Information Technology Enable Services | 23.46          | 1.66%          |
| 7.  | Insurance                                                       | 18.64          | 1.32%          |
| 8.  | Stock Broking                                                   | 18.09          | 1.28%          |
| 9.  | State Government Undertaking                                    | 5.66           | 0.40%          |
| 10. | Power                                                           | 4.03           | 0.28%          |
| 11. | Certifying Authority                                            | 3.68           | 0.26%          |
| 12. | Chartered Accountant / Consultancy                              | 2.36           | 0.17%          |
| 13. | United Nations Development Programme                            | 1.24           | 0.09%          |
| 14. | Atomic Energy                                                   | 0.94           | 0.06%          |
| 15. | Central Ministry                                                | 0.94           | 0.06%          |
|     | <b>Total</b>                                                    | <b>1415.53</b> | <b>100.00%</b> |

#### Bifurcation for Financial Year 2018-19

| (Rs. in lakhs) |                                                                         |                |                    |
|----------------|-------------------------------------------------------------------------|----------------|--------------------|
| Sr. No.        | Particulars                                                             | Amount         | % of Total Revenue |
| 1.             | Bank                                                                    | 419.09         | 40.53%             |
| 2.             | Municipal Corporation                                                   | 291.81         | 28.22%             |
| 3.             | Highways and Transportation                                             | 160.39         | 15.51%             |
| 4.             | Chartered Accountant / Consultancy                                      | 42.87          | 4.15%              |
| 5.             | National Informatics Centre Services Inc. / National Informatics Centre | 20.55          | 1.99%              |
| 6.             | State Government Undertaking                                            | 20.62          | 1.99%              |
| 7.             | Information Technology / Information Technology Enable Services         | 17.22          | 1.67%              |
| 8.             | Regulatory Agency                                                       | 10.48          | 1.01%              |
| 9.             | Education                                                               | 9.44           | 0.91%              |
| 10.            | Finance                                                                 | 8.35           | 0.81%              |
| 11.            | Certifying Authority                                                    | 7.14           | 0.69%              |
| 12.            | TSP (Third-party service provider) of State Government                  | 5.78           | 0.56%              |
| 13.            | Navy                                                                    | 4.96           | 0.48%              |
| 14.            | Power                                                                   | 4.80           | 0.46%              |
| 15.            | Insurance                                                               | 2.75           | 0.27%              |
| 16.            | Shipping and Transportation                                             | 2.33           | 0.23%              |
| 17.            | Development and Research established by Regulatory Agency               | 1.48           | 0.14%              |
| 18.            | Specialised Financial Institution                                       | 1.30           | 0.13%              |
| 19.            | Police                                                                  | 0.93           | 0.09%              |
| 20.            | Housing                                                                 | 0.78           | 0.08%              |
| 21.            | Central online security interest registry                               | 0.84           | 0.08%              |
|                | <b>Total</b>                                                            | <b>1033.91</b> | <b>100.00%</b>     |

#### Bifurcation for Financial Year 2017-18

| (Rs. in lakhs) |                                                                         |        |                    |
|----------------|-------------------------------------------------------------------------|--------|--------------------|
| Sr. No.        | Particulars                                                             | Amount | % of Total Revenue |
| 1.             | Highways and Transportation                                             | 410.67 | 40.13%             |
| 2.             | Bank                                                                    | 271.06 | 26.48%             |
| 3.             | Municipal Corporation                                                   | 154.04 | 15.05%             |
| 4.             | Chartered Accountant / Consultancy                                      | 91.93  | 8.98%              |
| 5.             | Information Technology / Information Technology Enable Services         | 28.16  | 2.75%              |
| 6.             | State Government Undertaking                                            | 22.41  | 2.19%              |
| 7.             | Regulatory Agency                                                       | 7.14   | 0.70%              |
| 8.             | National Informatics Centre Services Inc. / National Informatics Centre | 6.85   | 0.67%              |
| 9.             | Insurance                                                               | 6.57   | 0.64%              |
| 10.            | State Environmental Legislations Implementer                            | 6.25   | 0.61%              |
| 11.            | Finance                                                                 | 4.28   | 0.42%              |
| 12.            | Specialised Financial Institution                                       | 2.73   | 0.27%              |
| 13.            | Police                                                                  | 2.71   | 0.27%              |
| 14.            | Central online security interest registry                               | 1.77   | 0.17%              |
| 15.            | Housing                                                                 | 1.63   | 0.16%              |

|     |                                                           |                |                |
|-----|-----------------------------------------------------------|----------------|----------------|
| 16. | Development and Research established by Regulatory Agency | 1.44           | 0.14%          |
| 17. | Shipping and Transportation                               | 1.13           | 0.11%          |
| 18. | Oil and Gas                                               | 1.18           | 0.11%          |
| 19. | Border Guarding Organisation (Ministry of Home Affairs)   | 0.92           | 0.09%          |
| 20. | Research University                                       | 0.58           | 0.06%          |
|     | <b>Total</b>                                              | <b>1023.45</b> | <b>100.00%</b> |

**c) Geography-wise revenue classification**

The Company has its headquarters in Mumbai and branch office in Delhi. The Company's business is driven from its Mumbai office and the employees at Mumbai and Delhi office work on various cyber security transactions across the country assigned to them.

In effect, the employees of Delhi are more of liaison and representative office to work towards client relationship management and execution of mandates.

In view of the above, geographical break-up of revenue between Mumbai and Delhi office is not applicable.

**d) Segment-wise revenue (amount and % of total)**

The Company does not have any identifiable Segment as per AS-17, hence segment-wise revenue is not applicable.

## OUR MAJOR CUSTOMERS

The percentage of income derived from our top customers in the last three financial years are given below:

(₹ in lakhs)

| Sr. No. | Particulars                      | 2020    | (%)   | 2019   | (%)   | 2018   | (%)   |
|---------|----------------------------------|---------|-------|--------|-------|--------|-------|
| 1.      | Income from Top 5 Customers (%)  | 964.84  | 68.16 | 725.58 | 70.18 | 895.08 | 87.46 |
| 2.      | Income from Top 10 Customers (%) | 1177.94 | 83.22 | 853.95 | 82.59 | 946.76 | 92.51 |

## UTILITIES AND INFRASTRUCTURE FACILITIES

Our registered office is situated at Mumbai and offices at Delhi and Mumbai. The offices are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly. Our offices are well equipped with requisite utilities and facilities including the following:

**Power-** Our Company meets its basic power requirements by procuring electricity from Maharashtra State Electricity Distribution Co. Ltd. at its registered office. Electricity supply at the Delhi office procured from BSES Rajdhani Power Limited.

**Water-** Adequate arrangements with respect to water requirements for drinking purpose are made at the offices of the Company.

## COMPETITION

We are empanelled with CERT-In as IT Security Organization and are one of the few Companies empanelled with NICS.

Empanelment with CERT-In helps us to bid for contracts and secure audits of Companies who float their tenders. Our ability to secure tenders will depend on our eligibility for technical bids, our track record of completion of audits in past both in terms of time and quality in comparison with other competitors and our ability to bid the lowest in financial bid. Further, there are some other common factors which affect our eligibility criteria to bid for the tenders which are number of employees, tools available for audit, qualification of the employees and directors, location of the Company etc.

Our empanelment with NICS helps us procure direct business from the Companies without going through tender process. Hence, to procure work from Government, statutory bodies etc. our clear competitors. are all the Companies empanelled with NICS and CERT-In.

Apart from CERT-In and NICS I we also are directly empanelled or were empanelled with Companies/ Government Bodies / Statutory Authorities / Central Bank / Stock Exchanges / PSU Banks from where we secure direct business on repeat order basis.

In order to reduce time and procure Orders more efficiently, the above-mentioned organizations and many more calls for CERT-IN empanelled IT Security Organization having requisite work experience and technical qualifications required/desired by such Client organizations to apply for empanelment (for their future work orders for an general 3-5 year period), then as and when work is generated, they may award to contracts to all or any one or more of them.

Apart from Government, statutory bodies etc. our Company also faces competition to procure business from private sector companies. Our ability to secure contracts from private companies depends upon our quality, ability to complete, innovation, reputation, pricing by other Competitors and our relationship with the clients.

In addition, it is possible that certain established service companies may decide to begin offering services that we currently provide and new players might enter the market, thereby further intensifying the competition. Our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Thus, we face competition from organized and unorganized players in the industry but there is no clear identifiable competitor who are listed.

## HUMAN RESOURCE

### Number of Employees as on date

| Particulars                                            | Skilled   | Semi-Skilled |
|--------------------------------------------------------|-----------|--------------|
| Directors                                              | 3         | -            |
| <b>Employees (Including Key Managerial Persons)</b>    |           |              |
| Permanent (performing IT Audit tasks on regular basis) | 64        | -            |
| Permanent (non-IT staff)                               | 8         |              |
| Temporary                                              | -         | -            |
| Contractual (Professionals)                            | -         | -            |
| <b>Total</b>                                           | <b>75</b> | <b>-</b>     |

### Geographical Locations of our Employees as on date:

| Particulars | Number of Employees |
|-------------|---------------------|
| Mumbai      | 52                  |
| Delhi       | 23                  |

## COLLABORATIONS

Our Company does not have any Financial, technological or strategic collaborations.

## CAPACITY AND CAPACITY UTILISATION

Our company is not engaged in the manufacturing of goods and hence capacity and capacity utilization are not applicable to our company.

## EXPORT OBLIGATIONS

As on the date of the filing of this Prospectus, we don't have any export obligation.

## MARKETING

The efficiency of the marketing and service network is critical to the success of our Company. We strive to provide various services to our client under one basket and continuously set-up meetings with clients, pitching our range of services and track record. Our marketing team through their experience and good rapport with the clients owing to timely and qualitative service plays an instrumental role in creating and expanding the work platform for our Company. Our management team is actively involved in establishing client relationships and business development through interaction with various professionals, advisors and company

representatives which has been instrumental in getting business. We intend to expand our existing customer base by reaching out to entities across other geographical regions. Our Company has been focusing on acquiring new customers through direct and indirect channels. Going forward we intend to continue to leverage contacts with existing clients and strengthen our Marketing & Sales team, who would be solely focused on enhancing our business goals and revenues.

## INTELLECTUAL PROPERTY RIGHTS

We have registered the following Trademark with the Trademarks Registry, Government of India under the Trademarks Act, 1999. The details of the same are as follows:

| Sr. No. | Particulars of the mark                                                             | Word / Label Mark | Applicant                        | Trademark /Application Number | Issuing Authority            | Certificate Detail                                                                 | Class | Period of Validity                                                                                       |
|---------|-------------------------------------------------------------------------------------|-------------------|----------------------------------|-------------------------------|------------------------------|------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------|
| 1       | AAA Technologies                                                                    | Word              | AAA Technologies Private Limited | 1262628                       | Trade Marks Registry, Mumbai | Certificate bearing No. 649217 dated January 22, 2004 issued on July 20, 2007      | 38    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119616 dated March 13, 2014 |
| 2       |   | Label Mark        | AAA Technologies Private Limited | 1262629                       | Trade Marks Registry, Mumbai | Certificate bearing No. 561854 dated January 22, 2004 issued on September 27, 2006 | 35    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119184 dated March 11, 2014 |
| 3       | AAA Technologies                                                                    | Word              | AAA Technologies Private Limited | 1262630                       | Trade Marks Registry, Mumbai | Certificate bearing No. 561850 dated January 22, 2004 issued on September 27, 2006 | 35    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119377 dated March 12, 2014 |
| 4       | AAA Technologies                                                                    | Word              | AAA Technologies Private Limited | 1262631                       | Trade Marks Registry, Mumbai | Certificate bearing No. 547910 dated January 22, 2004 issued on August 21, 2006    | 42    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119185 dated March 11, 2014 |
| 5       |  | Label Mark        | AAA Technologies Private Limited | 1262632                       | Trade Marks Registry, Mumbai | Certificate bearing No. 562035 dated January 22, 2004 issued on September 27, 2006 | 42    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119617 dated March 13, 2014 |

## OUR PROPERTIES

Details of our properties are as follows: -

### i. Immoveable Properties

| Sr. No. | Schedule of Property and Area                                                                        | Area        | Date of Agreement | Seller                                        | Purpose           |
|---------|------------------------------------------------------------------------------------------------------|-------------|-------------------|-----------------------------------------------|-------------------|
| 1.      | 278-280, F Wing, Solaris I, Saki Vihar Road, Opp L&T Gate No. 6, Powai, Andheri East Mumbai – 400072 | 540 sq. ft. | July 07, 2008     | Pavan Rajkumar Droliaa                        | Registered Office |
| 2.      | 187, F Wing, Solaris I, Saki Vihar Road, Opp. L&T Gate No. 6, Powai, Andheri East, Mumbai – 400072   | 267 sq. Ft. | July 17, 2018     | Mr. Ratan Chand Bothra & Mr. Rakesh R. Bothra | Office            |

### ii. Leave and License Properties

The Company (lessee) has obtained leave and license of the Delhi office from Srimati Nirma Gupta (lessor)

| Sr. No. | Schedule of Property and Area                                   | Area            | Date of Agreement | Validity                     | Purpose |
|---------|-----------------------------------------------------------------|-----------------|-------------------|------------------------------|---------|
| 1.      | E-15, Ground Floor Basement, Lajpat Nagar I, New Delhi – 110024 | 100.00 sq. yard | May 23, 2019      | May 15, 2019 to May 14, 2021 | Office  |

## INSURANCE

| Policy Number        | Risk Covered | Sum Assured (₹) | Name of the Insurer                     | Policy Period     |                   |
|----------------------|--------------|-----------------|-----------------------------------------|-------------------|-------------------|
| 98000031190308734266 | Vehicle      | 5,89,173        | The New India Assurance Company Limited | February 12, 2020 | February 11, 2021 |
| 98000031190308742154 | Vehicle      | 5,89,173        | The New India Assurance Company Limited | February 12, 2020 | February 11, 2021 |
| 11300031200101257928 | Vehicle      | 70,475          | The New India Assurance Company Limited | April 22, 2020    | April 21, 2021    |

## **KEY INDUSTRY REGULATIONS AND POLICIES**

### **Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") is an act to provide for facilitating the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish micro, small or medium enterprise shall file industrial entrepreneur memorandum (IEM) with the authority under section 8 of MSMED Act. After filing IEM to Government of India, it gives acknowledgment receipt in part I to the applicant and informs the Directorate of Industries. The acknowledgement receipt in part I is valid for 2 years and thereafter, immediately after commencement of commercial production, part B has to be filed.

### **The Information Technology Act, 2000 ("Information Technology Act")**

The Information Technology Act has been enacted to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "Electronic Commerce", which involve the use of alternatives to paper-based methods of communication and storage of information etc. Additionally, the said Act also provides for civil and criminal liabilities including fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, it also recognizes 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. It also provides civil and criminal liabilities. The Information Technology Act also provides punishment for offences committed outside India.

The Department of Information and 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, which gives directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The said rules also require the body corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data.

The Personal Data Protection Bill, 2018 ("Data Protection Bill") seeks to create a framework for implementing organizational and technical measures in processing personal data. The Data Protection Bill also seeks to lay down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The Data Protection Bill also provides remedies for unauthorized and harmful processing and proposed to establish a Data Protection Authority for overseeing data processing activities.

### **Intellectual Property Rights**

Intellectual property rights in India enjoy protection under both statutory and under common law. The key legislations governing intellectual property in India are the Copyright Act, 1957, and the Trade Marks Act, 1999. India is also a party to several international agreements for the protection of intellectual property rights.

### **The Trademarks Act, 1999**

The Trademarks Act, 1999 ("TM Act"), provides for the application and registration of trademarks in India. The purpose of the TM Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure.

Application for trademark registry has to be made to Controller-General of patents, designs and TM Act who is the Registrar of Trademarks for the purposes of the TM Act. The TM Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### **Indian Copyright Act, 1957**

The Indian Copyright Act, 1957 ("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. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act applies to nationals of all member states of the World Trade Organization. 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. 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.

### **Shops and Establishments Legislations**

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

## HISTORY AND CORPORATE STRUCTURE

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as AAA Technologies Private Limited, a Private Limited Company under the provisions of Companies Act, 1956 pursuant to Certificate of Incorporation dated 03<sup>rd</sup> October, 2000 at Mumbai issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an EGM held on 16<sup>th</sup> July, 2020. Consequently, the name of our Company was changed to 'AAA Technologies Limited' and a fresh certificate of incorporation, consequent upon conversion from private limited company to a public limited company, was issued on 3<sup>rd</sup> August, 2020 by the Registrar of Companies, Maharashtra, Mumbai.

### Business and Management

For a description of our activities, technology the growth of our Company, our competitors, major clients, geographical presence, management, industry etc. see sections titled “Our Business”, “Our Management” and “Industry Overview” on pages 90, 114 and 78, respectively of this Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

| Date of Change | Change From                                                                    | Change to                                                                                              | Reason for change          |
|----------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------|
| March 11, 2019 | 5 Apeejay House, Ground Floor, 130, Bombay Samachar Marg Fort, Mumbai – 400023 | 278-280, F Wing, Solaris I, Saki Vihar Road, Opp. L&T Gate No. 6, Powai, Andheri East, Mumbai – 400072 | Administrative Convenience |

Our Company has Eight (8) shareholders as on the date of filing of this Prospectus.

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY



| Year | Major Events/Milestone                                                                    |
|------|-------------------------------------------------------------------------------------------|
| 2000 | Incorporation as a private limited company                                                |
| 2003 | 1st Major client in Banking and Broking firm                                              |
| 2005 | Empanelment with CERT-in                                                                  |
| 2006 | Audited Internet Banking for major PSB in India                                           |
| 2008 | Major contract obtained from by Government of India                                       |
| 2009 | Achieved ISO 9001 and 27001 Certification for Company                                     |
|      | Empanelment with Controller of Certifying Authorities                                     |
|      | Received Maharashtra IT Awards from Maharashtra State Government in the field of Security |
| 2010 | Forming Information Security Policy for Regulatory Agency in India                        |
| 2011 | Major Contract in Oil and Petroleum PSU                                                   |
| 2013 | Empanelment with largest PSB in India                                                     |
|      | Major client for Toll System Security Audit                                               |
|      | Audited 200+ websites for State Government                                                |
| 2014 | Audited one of largest Municipal Corporation in India                                     |
|      | Niche project for largest PSB in India                                                    |
| 2016 | Audited Regulatory Agency in India                                                        |
|      | Empanelment with Controller of Certifying Authorities for 3 years                         |
| 2017 | Awarded Company of the year 2017 in IS Audit and Cyber Security by CEO Magazine           |
|      | Awarded 20 Most Promising Cyber Security Solution Provider 2017 by CIO Review             |
|      | Awarded 50 Best Indian Founded Companies 2017                                             |
| 2018 | Awarded Company of the year 2018 in IS Audit and Cyber Security by CEO Magazine           |
|      | Empanelment with NICSI                                                                    |
|      | Empanelment with major Insurance Company in India                                         |
|      | Single Order obtained of over ₹ 4 Crores for first time                                   |
| 2019 | Empanelment with Controller of Certifying Authorities renewed for 3 years                 |
|      | Auditing one of largest upcoming Banks in India                                           |
|      | Opened branch Office in Delhi                                                             |
| 2020 | Achieved ISO 9001:2015 Certification for Company                                          |
|      | Empanelment with State Bank of India for 3 Years upto 31.03.2023.                         |

## AWARDS AND RECOGNITION

For details of awards and recognitions received by our Company refer Chapter titled 'Our Business' on page 90 of this Prospectus.

## CERTIFICATIONS

For details of certifications obtained by our Company refer Chapter titled 'Our Business' on page 90 and Chapter titled 'Government and Other Key Approvals' on page 174 of this Prospectus.

## MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company's main objects as per the Memorandum of Association are as follows:

1. \*To carry on the business of providing auditing and consultancy services encompassing areas such as Information Systems, Information Security, Cyber Security, Information Technology Assurance and Compliance, and Information Technology Governance and act as auditors, consultants, advisors, developers, consulting engineers, trainers, instructors in above such activities whether in the capacity of principals, agents, contractors or sub-contractors.  
\*(Inserted by Special Resolution passed by the members at the Extra Ordinary General meeting of the Company held on 16th July 2020.)
2. To carry on the business of Information Processing, Information technologist, Internets Web, E-Commerce, E-mail services, Web page designing, Web page hosting. Web page surfing and as consultant advisors, developer, consultant engineers, system analysts, system engineers, trainer and instructors in computer hardware, computer software, computer programming, data processing, storage and retrieval

data analysis, market analysis and other related activities whether as principals, agents, contractors, sub-contractors, or executing the same on turn-key basis either independently or in collaboration with others.

3. To set up and carry on the business activities of and on networks whether wired, wireless or any based on other technology including the activity of creating the networks and provide online services and solutions of all kinds in relation to and including developing portals, site hosting and management, consulting, intranets and extranets, electronic commerce, virtual networks, virtual reality systems and incidental activities and to do all activities for procurement and protection intellectual property rights and incidental rights for these activities.

## **AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

| <b>Date</b>    | <b>Nature of Amendment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 30, 2009 | Clause V-A of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each to ₹26,00,000 divided into 2,60,000 Equity Shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                               |
| March 30, 2010 | Clause V-A of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹26,00,000 divided into 2,60,000 Equity Shares of ₹10 each to ₹36,00,000 divided into 3,60,000 Equity Shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                            |
| March 30, 2011 | Clause V-A of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹36,00,000 divided into 3,60,000 Equity Shares of ₹10 each to ₹61,00,000 divided into 6,10,000 Equity Shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                            |
| July 16, 2020  | Clause I of the MoA was amended to reflect change of name upon conversion to Public Limited Company from AAA Technologies Private Limited to AAA Technologies Limited                                                                                                                                                                                                                                                                                                                                                                                                                              |
| July 16, 2020  | Para 1 of the Main Objects inserted with earlier Paras 1 and 2 renumbered as Paras 2 and 3 respectively:<br>Inserted Para 1:<br>"To carry on the business of providing auditing and consultancy services encompassing areas such as Information Systems, Information Security, Cyber Security, Information Technology Assurance and Compliance, and Information Technology Governance and act as auditors, consultants, advisors, developers, consulting engineers, trainers, instructors in above such activities whether in the capacity of principals, agents, contractors or sub-contractors." |
| August 4, 2020 | Clause V-A of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹61,00,000 divided into 6,10,000 Equity Shares of ₹10 each to ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                      |

## **SUBSIDIARIES**

As on the date of this Prospectus, there are no subsidiaries of our Company.

## **THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit/ (losses) not accounted for by our Company.

## **HOLDING COMPANY**

As on the date of this Prospectus, there is no Holding Company of our Company.

## **JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

## **REVALUATION OF ASSETS IN THE LAST TEN YEARS**

There has been no revaluation of assets of our company in the last ten years from the date of this Prospectus.

## **SHAREHOLDERS' AGREEMENT AND OTHER AGREEMENTS**

There are no Shareholders' Agreements and any other Agreements existing as on the date of this Prospectus.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

We have not acquired any business / undertakings since incorporation.

## **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

Our company has not divested any of its business / undertaking in the last ten years from the date of this Prospectus

## **FINANCIAL PARTNERS**

As on the date of this Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Prospectus.

## **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Prospectus.

## **OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the company.

## OUR MANAGEMENT

### Board of Directors

Our Company has 6 (Six) Directors consisting of 1 (One) Chairman and Managing Director, 1 (One) Whole Time Director, 1 (One) Executive Director, and 3 (Three) Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

| Name, Current Designation, Address, Occupation, Term and DIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Nationality | Age      | Other Directorships                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------|-----------------------------------------|
| <b>Mr. Anjay Ratanlal Agarwal</b><br><i>Chairman and Managing Director</i><br><br><b>Date of Birth:</b> November 25, 1969<br><br><b>Address:</b> 102, Vikas Towers, Near Amboli Railway Crossing, Andheri East S.O., Mumbai – 400069, Maharashtra<br><br><b>Date of Appointment as Executive Director:</b> October 03, 2000<br><br><b>Date of Re-designation as Chairman &amp; Managing Director:</b> July 07, 2008<br><br><b>Term:</b> Retirement by rotation<br><br><b>Occupation:</b> Business<br><br><b>DIN:</b> 00415477  | Indian      | 50 Years | • Nil                                   |
| <b>Mr. Venugopal Madanlal Dhoot</b><br><i>Whole Time Director; Director (Finance) &amp; CFO</i><br><br><b>Date of Birth:</b> January 03, 1955<br><br><b>Address:</b> 1202/1302, Lake Superior, Lake Homes, Powai, Mumbai – 400076, Maharashtra<br><br><b>Date of Appointment as Director:</b> July 07, 2008<br><br><b>Date of Re-designation as Whole Time Director Director (Finance) &amp; CFO:</b> August 7, 2020<br><br><b>Term:</b> Retirement by rotation<br><br><b>Occupation:</b> Business<br><br><b>DIN:</b> 02147946 | Indian      | 65 Years | • Transcendal Animazion Private Limited |
| <b>Mrs. Ruchi Anjay Agarwal</b><br><i>Executive Director (HR &amp; Administration)</i><br><br><b>Date of Birth:</b> June 10, 1971<br><br><b>Address:</b> 102, Vikas Towers, Near Amboli Railway Crossing, Andheri East S.O., Mumbai – 400069, Maharashtra<br><br><b>Date of Appointment as Director:</b> February 21, 2004<br><br><b>Date of Re-designation as Executive Director (HR &amp; Administration):</b> August 7, 2020                                                                                                | Indian      | 49 Years | • Nil                                   |

| Name, Current Designation, Address, Occupation, Term and DIN                                                                                                                                                                                                                                                                                                                                                                                                               | Nationality | Age | Other Directorships |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----|---------------------|
| <b>Term:</b> Retirement by rotation<br><b>Occupation:</b> Business<br><b>DIN:</b> 00415485                                                                                                                                                                                                                                                                                                                                                                                 |             |     |                     |
| <b>Mr. Rajesh Chandra Verma</b><br><i>Independent Director</i><br><b>Date of Birth:</b> January 7, 1955<br><b>Address:</b> 1403, Shiv Asthan Heights,<br>16 <sup>th</sup> Road, Bandra West, Mumbai 400050<br><b>Date of Appointment as Independent Director:</b><br>August 7, 2020<br><b>Term:</b> 5 Years (From August 7, 2020 to August 6, 2025)<br><b>Occupation:</b> Advisor; Consultant & Freelance Advisor<br><b>DIN:</b> 08813054                                  | Indian      | 65  | • Nil               |
| <b>Mr. Naveen Kumar Srivastava</b><br><i>Independent Director</i><br><b>Date of Birth:</b> August 15, 1955<br><b>Address:</b> 1501, Vastushilpa CHSL, Off. Veera Desai Road, Azad Nagar, Andheri (W), Mumbai – 400058<br><b>Date of Appointment as Independent Director:</b><br>August 7, 2020<br><b>Term:</b> 5 Years (From August 7, 2020 to August 6, 2025)<br><b>Occupation:</b> Freelance IS Auditor<br><b>DIN:</b> 08813063                                          | Indian      | 65  | • Nil               |
| <b>Mr. Nabankur Sen</b><br><i>Independent Director</i><br><b>Date of Birth:</b> September 6, 1953<br><b>Address:</b> 802, Camellia Cooperative Housing Society, DC 102, New Town, Kolkata - 700156<br><b>Date of Appointment as Independent Director:</b><br>August 7, 2020<br><b>Term:</b> 5 Years (From August 7, 2020 to August 6, 2025)<br><b>Occupation:</b> Retired– Freelance Consultant / Advisor on Information Security / Cyber Security<br><b>DIN:</b> 08813293 | Indian      | 67  | • Nil               |

For further details on their qualification, experience etc., please see their respective biographies under the heading “Brief Biography of our Directors” below:

**Notes:**

- Except as mentioned below no other directors are related to each other;
  - Mrs. Ruchi Agarwal is the wife of Mr. Anjay Agarwal
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.
- There are no service contracts entered into by the Directors with our Company.
- Our Company does not have a bonus or profit-sharing plan for our Directors except the part of profits which they are eligible to as part of their remuneration.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been / were suspended from being traded on the Stock Exchange during the last five years preceding the date of filing of this Prospectus.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been delisted from the Stock Exchange(s).
- No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company except for a Showcase Notice issued on 3<sup>rd</sup> September, 2020 by SEBI to Mr. Rajesh Kumar Verma, Independent Director details of which can be referred to under Chapter titled *Outstanding Litigation and Material Developments* on Page [•] of this Prospectus. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

**BRIEF BIOGRAPHY OF OUR DIRECTORS****Mr. Anjay Agarwal**

Mr. Anjay Agarwal, aged 50 years, is the Promoter, Chairman and Managing Director of our Company. He has an overall experience 28 years with over 25 years of rich and vast experience in Information Security Audits.

He is a qualified Chartered Accountant, Company Secretary Cost Accountant, B. Com graduate (Mumbai University), Lawyer (from Mumbai University), further he also completed certification in CRISC (USA), CGEIT (USA), CISA(USA), CFE(USA), CIA(USA), A.B.C.I(UK), ISA, PGDFERM, DIRM, BS7799 Certified Lead Implementer, ISO 27001 Certified Lead Implementer, ISO 27001 Certified Lead Auditor, BCMS Certified Lead Implementer, CEH,ECSA, LPT, CFAP-IT, COBIT 5 Foundation, COBIT 5 Implementer, COBIT Certified Assessor related to his IT audit field.

Mr. Anjay Agarwal is an eminent Information Security professional who has served both the National and International security community for over 20 years.

He is the 55th professional in the World to be conferred with COBIT Certified Assessor Designation. He has been associated with various Government and professional bodies in various capacities including as Jury Member for the Maharashtra IT Awards conferred by the State of Maharashtra; ISACA (USA); ISACA, Mumbai Chapter; The Institute of Chartered Accountants of India etc.

He was the 1st person from Asia to be appointed as the Chairman of Governmental and Regulatory Agencies Board (GRA Board) of ISACA, International. He has been associated with ISACA, Mumbai Chapter since 2000-2001 in various capacities and was the President of the organization in 2006-2007. He has been associated with ISACA, International since 2002 and has served on various Committees/Board. He has also been a member of the Audit Committee for the year 2013-2014 & 2012-2013 and Finance Committee for the year 2011-2012 of ISACA, International. He has been a Co-opted member on the Information Technology Committee of The

Institute of Chartered Accountants of India for the year 2003-2004 and Co-opted member in Information Technology Committee of Western India Regional Council of The Institute of Chartered Accountants of India for the year 2002 and 2008. He has been involved in 10,000+ assignments in Information Security / Cyber Security till date.

#### **Mr. Venugopal Dhoot**

Mr. Venugopal Madanlal Dhoot, aged 65 years, is the Promoter and Whole-Time Director of our company. He is a Whole Time Director designated as the Director (Finance) and Chief Financial Officer of the Company. He has an overall experience of 35 years with about 17 years' experience in Information Security Audit. He is a qualified Chartered Accountant, LLB from Mumbai University and B. Com (Hons.) from Mumbai University. Further he has also completed certification in DISA, DIRM, and CEH. He oversees the Finance and Accounts, sales, marketing and sourcing technology in our Company. He was practicing as a Chartered Accountant from 1984 till 2008 being the proprietor of V.M. Dhoot & Co., Chartered Accountants.

#### **Mrs. Ruchi Agarwal**

Mrs. Ruchi Anjay Agarwal, aged 49 years, is the Promoter and Executive Director (HR & Administration) of our Company. She has an overall experience of 15 years in IT Audit. She has completed her Master's in Arts from Kanpur University and Bachelor in Arts from Lucknow University. Further, she has also completed certification in ISO 27001 Lead Auditor. She is responsible for overseeing the human resources and overall administration of our Company.

#### **Mr. Rajesh Chandra Verma**

Mr. Rajesh Verma, aged 65 years, is an Independent Director of our Company. He has more than 40 years' experience in the Banking and Financing sector. He is a qualified M. Sc, CAIIB (India) and CAIB (UK). He was an Assistant Manager with State Bank of India (SBI) wherein he rose to become the Deputy General Manager between the period from December 1981 to May 2009. He held multiple positions during his tenure with SBI and was Head of Treasury (IRM Group). Thereafter, he worked with DCB Bank Ltd as Executive Vice President/Sr. Vice President & Head Treasury Group from May 2009 till he retired in April 2020. He was Member, Management Committee and Head (Treasury, Investment Banking, Trade Finance, FIG etc.). During his stint with DCB, the Bank turned around from a loss-making entity in 2010 to a healthy profit-making Bank due to various strategic changes adopted, towards which Mr. Verma has his share of contribution too.

#### **Mr. Naveen Kumar Srivastava**

Mr. Naveen Srivastava, aged 65 years, is an Independent Director of our Company. He has more than 40 years' experience in the Banking and Information Technology and Security sector. He is a qualified M.A (Economics) and holds certifications/diplomas such as CISA, CISB and ISO 27011 Lead Auditor. He started his career as a Systems Analyst with Kaycee Computers, Lucknow between September 1982 and March, 1984; became a Manager (Operations) with Management Control Systems from September, 1984 to March, 1985; joined Indian Institute of Management, Lucknow as Programmer & Analyst and was with IIM from April, 1985 to August, 1986; and thereafter was Asst. General Manager with State Bank of India from September, 1986 to August, 2015. He has notable achievements such as being the Founder Member of Information Security Department of State Bank of India. He was also a contributor to Information Security Frameworks for Banks, IDRB.

#### **Mr. Nabankur Sen**

Mr. Nabankur Sen, aged 67 years, is an Independent Director of our Company. He has more than 45 years' experience in the Banking and Cyber Security and Information Technology and Security sector. He is a qualified B. Sc (Physics Honors) from Calcutta University. He holds certifications/diplomas such as CISA, CISM, CRISC from ISACA, Illinois, Chicago, USA, and ISO 27001 Lead Auditor and Implementer.

He started as Systems Engineer with IBM (India) Limited in 1972. He was Asst. General Manager with State Bank of India between January, 1975 and November, 2004 where he rose from being a Programmer to becoming Asst. General Manager (Systems). He later set up the Information Security Department of the Bank. He later joined Axis Bank Limited where he was the Chief Information Security Officer between April, 2005 and September, 2013. He was instrumental in setting up the Systems Wing and thereafter as the first CISO implemented policies to increase security awareness.

He joined Bandhan Bank in January, 2015 as Advisor (Information Security). He is currently an External Consultant – Cyber Security with HSBC Asset Management (India) Pvt. Ltd w.e.f March, 2020 wherein he holds an Advisory role.

He holds a number of achievements to his credit such as being featured among the Top-100 CISOs across the country repeatedly from 2013 till 2019 from CISO Platform, Bangalore; won 'Infosec Maestro' award from 'Info security' in 2017 and 2018; was a Jury member to select young entrepreneurs for Technoviti / Finnoviti organised by Banking Frontiers; was Jury member to select Top 100 CISOs for 2020 organised by CISO Platform; speaker on many events organised by Elets Technomedia, IDG Media Pvt. Ltd., BitStream Mediaworks Pvt. Ltd., Infosec Global, Infosec Foundation, ICT Summit, SecuranZ symposium, Governance Now, etc., and has been recognized for his talks and presentations on Cyber Security multiple platforms.

### **Confirmation**

None of the above-mentioned Directors are on the RBI List of willful defaulters as on date of filing the Prospectus.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and persons in control of our Company, have not been/are not debarred from accessing the capital market by SEBI.

### **Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held on 4<sup>th</sup> August, 2020 passed a resolution authorizing the Board of Directors pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid-up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 100 crores.

## **REMUNERATION OF EXECUTIVE DIRECTORS**

### **Mr. Anjay Agarwal, Chairman and Managing Director**

The compensation package payable to him as resolved in the shareholders meeting held on 7<sup>th</sup> August, 2020 is stated hereunder:

#### **1. Remuneration:**

- a. **Salary:** Yearly fixed salary not exceeding ₹ 72 Lakhs.
- b. **Incentive:**  
Incentive of 5% of net profits of the Company subject to a maximum ceiling of ₹ 50 lakhs in addition to the yearly salary as mentioned above (profits shall be computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits).
- c. **Benefits:**  
Benefits as provided under Section IV Part II of Schedule V of Companies Act, 2013.

#### **2. Remuneration in the event of loss or inadequacy of profits:**

In case of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Anjay Agarwal, the remuneration mentioned herein shall be paid to Mr. Anjay Agarwal as minimum remuneration.



**Mr. Venugopal Dhoot, Whole Time Director, Director (Finance) & Chief Financial Officer**

The compensation package payable to him as resolved in the shareholders meeting held on 7<sup>th</sup> August, 2020 is stated hereunder:

**I. Remuneration:**

- a. **Salary:** Yearly fixed salary not exceeding ₹ 72 Lakhs.
- b. **Incentive:**  
Incentive of 5% of net profits of the Company subject to a maximum ceiling of ₹ 50 lakhs in addition to the yearly salary as mentioned above (profits shall be computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits).
- c. **Benefits:**  
Benefits as provided under Section IV Part II of Schedule V of Companies Act, 2013.

**2. Remuneration in the event of loss or inadequacy of profits:**

In case of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Venugopal Dhoot, the remuneration mentioned herein shall be paid to Mr. Venugopal Dhoot as minimum remuneration.

**Mrs. Ruchi Agarwal, Executive Director (HR & Administration)**

The compensation package payable to him as resolved in the shareholders meeting held on 7<sup>th</sup> August, 2020 is stated hereunder:

**I. Remuneration:**

- a. **Salary:** Yearly fixed salary not exceeding ₹ 12 Lakhs.
- b. **Incentive:**  
Incentive of 5% of net profits of the Company subject to a maximum ceiling of ₹ 50 lakhs in addition to the yearly salary as mentioned above (profits shall be computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits).
- c. **Benefits:**  
Benefits as provided under Section IV Part II of Schedule V of Companies Act, 2013.

**2. Remuneration in the event of loss or inadequacy of profits:**

In case of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mrs. Ruchi Agarwal, the remuneration mentioned herein shall be paid to Mrs. Ruchi Agarwal as minimum remuneration.

**REMUNERATION PAID TO DIRECTORS BY OUR SUBSIDIARY OR ASSOCIATE COMPANIES**

As on date there is no Subsidiary or Associate company of our Company.

**COMPENSATION TO THE INDEPENDENT DIRECTORS**

Pursuant to a resolution passed at the meeting of the Board of our Company on 10<sup>th</sup> August, 2020 the Independent Directors will be paid ₹5,000 (Rupees Five Thousand Only) per meeting as sitting fee for attending Board meetings and ₹2,500 (Rupees Two Thousand Five Hundred Only) per meeting as sitting fee for attending Committee meetings.

Remuneration paid to our Independent Directors in Fiscal 2019-20: Nil

There were no Independent Directors in the Financial Year 2019-20.

## REMUNERATION / SITTING FEES PAID TO DIRECTORS FOR THE FY 2019-20

| Sr. No. | Name of the Director | Designation                              | Remuneration Paid (₹ in Lakhs) | Sitting Fees Paid (₹ in Lakhs) | Total (₹ in Lakhs) |
|---------|----------------------|------------------------------------------|--------------------------------|--------------------------------|--------------------|
| 1.      | Mr. Anjay Agarwal    | Chairman and Managing Director           | 75.00                          | -                              | 75.00              |
| 2.      | Mr. Venugopal Dhoot  | Director (Finance) & CFO                 | 75.00                          | -                              | 75.00              |
| 3.      | Mrs. Ruchi Agarwal   | Executive Director (HR & Administration) | 10.00                          | -                              | 10.00              |

### Shareholding of Directors

Our Articles of Association do not require any of our Directors to hold any qualification shares.

The following table sets forth the shareholding of our Directors as on the date of this Prospectus:

| Name of Directors            | No. of Equity Shares held | % of Pre-Issue Paid-Up Capital |
|------------------------------|---------------------------|--------------------------------|
| Mr. Anjay Agarwal            | 16,85,200                 | 27.55%                         |
| Mr. Venugopal Dhoot          | 7,35,000                  | 12.02%                         |
| Mrs. Ruchi Agarwal           | 12,80,000                 | 20.93%                         |
| Mr. Rajesh Verma             | -                         | -                              |
| Mr. Naveen Srivastava        | -                         | -                              |
| Mr. Nabankur Sen             | -                         | -                              |
| Total Holding of Directors   | 37,00,200                 | 60.50%                         |
| <b>Total Paid up Capital</b> | <b>61,15,200</b>          | <b>100.00%</b>                 |

### Interest of the Directors

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them on their holding of such shares and other distributions in respect of the aforesaid Equity Shares. For further details, refer to para titled as *Annexure XXVI – Related Party Transactions* in chapter titled “Financial Statements” and “Our Promoter and Promoter Group” beginning on page 155 and 129 respectively of this Prospectus.

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “Our Management” and refer to para titled as *Annexure XXVI – Related Party Transactions* in chapter titled “Financial Statements” beginning on page 114 and 155 of this Prospectus respectively, our Directors do not have any other interest in our business.

### Interest in property

Our Directors are not interested in any property acquired by our Company within two years of the date of this Prospectus, or presently intended to be acquired by it.

## Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

| Sr. No. | Name of Director      | Date of Change               | Reason for change |
|---------|-----------------------|------------------------------|-------------------|
| 1       | Mr. Rajesh Verma      | 7 <sup>th</sup> August, 2020 | Appointment       |
| 2       | Mr. Naveen Srivastava | 7 <sup>th</sup> August, 2020 | Appointment       |
| 3       | Mr. Nabankur Sen      | 7 <sup>th</sup> August, 2020 | Appointment       |

## Corporate Governance

The provisions of the SEBI LODR Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI LODR Regulations, the SEBI ICDR Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI LODR Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

Currently, our Board has 1 (One) Chairman and Managing Director, 1 (One) Whole Time Director, 1 (One) Executive Director and 3 (Three) Independent Directors. We have 1 (One) Woman Director on our Board amongst these.

## Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

### I. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated 10<sup>th</sup> August, 2020 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

| Name of the Member    | Nature of Directorship       | Designation in Committee |
|-----------------------|------------------------------|--------------------------|
| Mr. Rajesh Verma      | Independent Director         | Chairman                 |
| Mr. Naveen Srivastava | Independent Director         | Member                   |
| Mr. Anjay Agarwal     | Chairman & Managing Director | Member                   |

The Company Secretary of our Company shall act as secretary to the Audit Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) 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.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the audit report.
- e) Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Formulating a policy on related party transactions, which shall include materiality of related party transactions
- i) Granting omnibus approval to related party transactions and laying down criteria for granting such approval in accordance with the SEBI LODR Regulations and reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company pursuant to the omnibus approvals granted;
- j) Approval or any subsequent modification of transactions of the company with related parties;
- k) Scrutiny of inter-corporate loans and investments;
- l) Valuation of undertakings or assets of the company, wherever it is necessary;
- m) Evaluation of internal financial controls and risk management systems;
- n) Monitoring the end use of funds raised through public offers and related matters.
- o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- p) 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.
- q) Discussion with internal auditors any significant findings and follow up there on.
- r) 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.
- s) 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.
- t) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- u) To review the functioning of the Whistle Blower mechanism.

- v) 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.
- w) Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;
- x) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- y) Oversee the vigil mechanism established by the Company and the chairman of the Audit Committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*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 occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and
- f) Statement of deviations in terms of the SEBI LODR Regulations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
  - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

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.

### *Meeting of 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 a minimum of two independent members present.

## **2. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated 10<sup>th</sup> August, 2020. The Shareholder and Investor Grievance Committee comprises of:

| <b>Name of the Member</b> | <b>Nature of Directorship</b> | <b>Designation in Committee</b> |
|---------------------------|-------------------------------|---------------------------------|
| Mr. Rajesh Verma          | Independent Director          | Chairman                        |
| Mr. Naveen Srivastava     | Independent Director          | Member                          |
| Mr. Nabankur Sen          | Independent Director          | Member                          |

This Committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future
- b) 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;
- c) 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;
- d) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- e) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company; and
- g) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- h) Reference to statutory and regulatory authorities regarding investor grievances;
- i) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- j) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
- k) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, or the SEBI Listing Regulations, or any other regulatory authority.

The Committee shall meet at least once in a year.

The Company Secretary of our Company shall act as the Secretary to the Committee.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated 10<sup>th</sup> August, 2020.

The Nomination and Remuneration Committee currently comprises of:

| Name of the Member    | Nature of Directorship | Designation in Committee |
|-----------------------|------------------------|--------------------------|
| Mr. Naveen Srivastava | Independent Director   | Chairman                 |
| Mr. Nabankur Sen      | Independent Director   | Member                   |
| Mr. Rajesh Verma      | Independent Director   | Member                   |

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- b) Formulation of criteria for evaluation of Independent Directors and the Board, and determining whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
  - c) Determining 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;
  - d) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and determination of remuneration packages of such directors;
  - e) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and in accordance with the remuneration policy approved by the board of directors;
  - f) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - g) Devising a policy on Board diversity
  - h) 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 their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
  - i) Analysing, monitoring and reviewing various human resource and compensation matters
  - j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended); or

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the SEBI LODR Regulations, or by any other regulatory authority.

#### **Quorum and Meetings**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be three non-executive directors out of which two shall be the Independent Directors. The Chairman of the Committee shall be an Independent Director. The Committee is required to meet at least once a year.

The Company Secretary of our Company shall act as the Secretary to the Committee.

#### **4. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of our Board was constituted on 10<sup>th</sup> August, 2020. The Corporate Social Responsibility Committee comprises of the following:

| <b>Name of the Member</b> | <b>Nature of Directorship</b>                 | <b>Designation in Committee</b> |
|---------------------------|-----------------------------------------------|---------------------------------|
| Mr. Anjay Agarwal         | Chairman and Managing Director                | Chairman                        |
| Mr. Venugopal Dhoot       | Whole Time Director, Director (Finance) & CFO | Member                          |
| Mr. Naveen Srivastava     | Independent Director                          | Member                          |

The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act;
3. To monitor the corporate Social Responsibility Policy of our Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

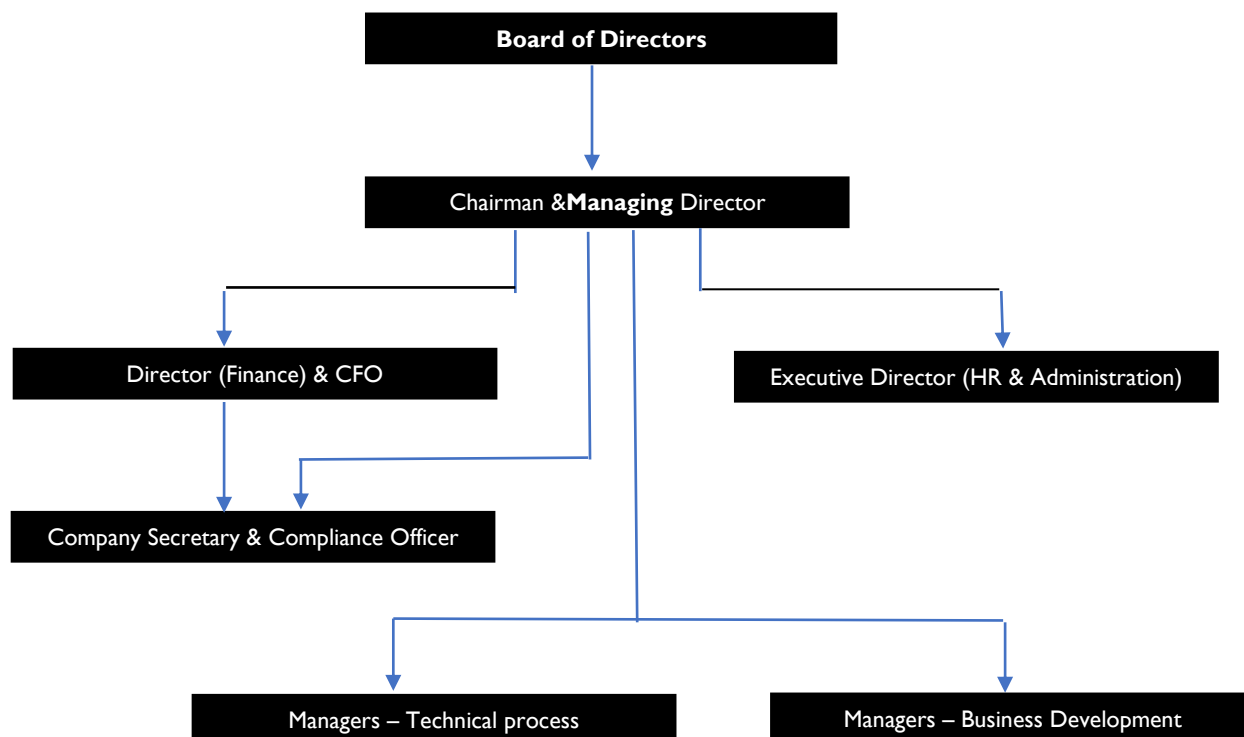
#### **Policy on Disclosures & Internal procedure for prevention of Insider Trading**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.



## Management Organization Structure



## Key Managerial Personnel

The details of our key managerial personnel are as below –

| Name of Employee    | Designation & Functional Area          | Date of Appointment | Compensation for Last Fiscal (₹ in lakhs) | Qualification                                  | Name of Previous Employer (s)           | Experience         |
|---------------------|----------------------------------------|---------------------|-------------------------------------------|------------------------------------------------|-----------------------------------------|--------------------|
| Mr. Venugopal Dhoot | Chief Financial Officer                | August 7, 2020      | 75.00                                     | B. (Hons.), Com (LLB, CA, DISA, DIRM and CeH)  | Refer Note 2 below                      | Refer Note 2 below |
| Mr. Sagar Shah      | Company Secretary & Compliance Officer | July 16, 2020       | N. A                                      | BBI, Masters in Accounting & Finance, LLB, ACS | VKM and Associates, Company Secretaries | 2 years            |

### Notes:

- For details of Compensation refer para on Remuneration of Executive Directors under Chapter titled “Our Management” on page 118 of this Prospectus.
- For details of Name of previous employer and experience refer para “Brief Biography of our Directors” under Chapter “Our Management” on page 116 of this Prospectus.

### Other Notes –

- All the key managerial personnel mentioned above are permanent employees of our Company
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above-mentioned personnel have been recruited.
- As on the date of filing of this Prospectus, our Company does not have a bonus or a profit-sharing plan with the key management personnel other than with Mr. Venugopal Dhoot who also happens to be the Whole Time Director, designated as Director (Finance).

4. No non-salary-related payments or benefits have been made to our key management personnel.
5. There is no contingent or deferred compensation payable to any of our key management personnel.

#### **Relationship amongst the Key Managerial Personnel**

None of the aforementioned KMP's are related to each other.

#### **Arrangement / Understanding with Major Shareholders / Customers / Suppliers**

None of the KMPs have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

#### **Shareholding of Key Managerial Personnel**

None of our KMPs, except for Mr. Venugopal Dhoot [Promoter and Whole Time Director; Director (Finance)] hold any shares of our Company as on the date of this Prospectus.

#### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

#### **Interest of Key Managerial Personnel**

Except for Mr. Venugopal Dhoot who is the Promoter, Director (Finance) and CFO of the Company, the other Key Managerial Personnel of our Company does not have any interest in our Company, other than to the extent of remuneration of benefits to which he is entitled as per their terms of appointment and reimbursement of expenses incurred by him during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same. For details of interest of Mr. Venugopal Dhoot refer chapter titled "Our Promoters and Promoter Group" on page 129 and Annexure XXVI – Related Party Transactions under Chapter titled "Financial Statements" on page 155.

#### **Bonus or Profit-Sharing Plan for the Key Managerial Personnel during the last three years**

Our Company does not have fixed bonus/profit sharing plan for any of the employees, key managerial personnel except for Mr. Venugopal Dhoot, Promoter and Whole Time Director; Director (Finance)

#### **Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP/ESPS scheme for employees.

#### **Payment or Benefit to our Key Managerial Personnel**

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees

#### **Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus**

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Prospectus:

| <b>Name</b>     | <b>Designation</b>                     | <b>Date of Joining</b>       |
|-----------------|----------------------------------------|------------------------------|
| Venugopal Dhoot | Chief Financial Officer                | 7 <sup>th</sup> August, 2020 |
| Sagar Shah      | Company Secretary & Compliance Officer | 16 <sup>th</sup> July, 2020  |

## OUR PROMOTER AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Anjay Agarwal
2. Mr. Venugopal Dhoot
3. Mrs. Ruchi Agarwal

As on the date of this Prospectus, our Promoters hold 37,00,200 Equity Shares of face value of ₹ 10/- each in aggregate, representing 60.50% of the pre-issue, subscribed and paid-up Equity Share capital of our Company.

The details of our Promoter are provided below:

|                                                                                     |                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Mr. Anjay Ratanlal Agarwal</b>                                                                                                                                                                                                                                                                                                  |
|                                                                                     | <b>Brief Profile:</b><br>Mr. Anjay Agarwal, aged 50 years, is the Promoter, Chairman & Managing Director of our Company. For further details, see the section titled “ <i>Brief Biography of our Directors</i> ” under Chapter titled “ <i>Our Management</i> ” on page 116 of this Prospectus.                                    |
|                                                                                     | <b>Date of Birth:</b> November 25, 1969                                                                                                                                                                                                                                                                                            |
|                                                                                     | <b>Address:</b> 102, Vikas Towers, Near Amboli Railway Crossing, Andheri East S.O., Mumbai – 400069, Maharashtra                                                                                                                                                                                                                   |
|                                                                                     | <b>PAN:</b> AAAPA8719Q                                                                                                                                                                                                                                                                                                             |
|                                                                                     | <b>Driver’s License:</b> MH02 20110033991                                                                                                                                                                                                                                                                                          |
|                                                                                     | <b>Aadhaar Card No.:</b> 2757 4413 3945                                                                                                                                                                                                                                                                                            |
|  | <b>Mr. Venugopal Madanlal Dhoot</b>                                                                                                                                                                                                                                                                                                |
|                                                                                     | <b>Brief Profile:</b><br>Mr. Venugopal Dhoot, aged 65 years, is the Promoter and Whole-Time Director of our company designated as Director (Finance) & CFO. For further details, see the section titled “ <i>Brief Biography of Our Directors</i> ” under Chapter titled “ <i>Our Management</i> ” on page 116 of this Prospectus. |
|                                                                                     | <b>Date of Birth:</b> January 03, 1955                                                                                                                                                                                                                                                                                             |
|                                                                                     | <b>Address:</b> 1202/1302, Lake Superior, Lake Homes, Powai, Mumbai – 400076, Maharashtra                                                                                                                                                                                                                                          |
|                                                                                     | <b>PAN:</b> AABPD2682A                                                                                                                                                                                                                                                                                                             |
|                                                                                     | <b>Driver’s License:</b> MH03 20100102959                                                                                                                                                                                                                                                                                          |
|                                                                                     | <b>Aadhaar Card No.:</b> 8864 4657 8548                                                                                                                                                                                                                                                                                            |
|  | <b>Mrs. Ruchi Anjay Agarwal</b>                                                                                                                                                                                                                                                                                                    |
|                                                                                     | <b>Brief Profile:</b><br>Mrs. Ruchi Agarwal, aged 49 years, is the Promoter and Executive Director (HR & Administration) of our Company. For further details, see the section titled “ <i>Biography of Our Directors</i> ” under Chapter titled “ <i>Our Management</i> ” on page 116 of this Prospectus.                          |
|                                                                                     | <b>Date of Birth:</b> June 10, 1971                                                                                                                                                                                                                                                                                                |
|                                                                                     | <b>Address:</b> 102, Vikas Towers, Near Amboli Railway Crossing, Andheri East S.O., Mumbai – 400069, Maharashtra                                                                                                                                                                                                                   |
|                                                                                     | <b>PAN:</b> ABZPA7290A                                                                                                                                                                                                                                                                                                             |
|                                                                                     | <b>Driver’s License:</b> MH02 20090122143                                                                                                                                                                                                                                                                                          |
|                                                                                     | <b>Aadhaar Card No.:</b> 2918 2284 3647                                                                                                                                                                                                                                                                                            |

For details of the build-up of our Promoters’ shareholding in our Company, please see “*Capital Structure - Shareholding of our Promoters*” beginning on page 60 of this Prospectus.

### Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters will be submitted to the Stock Exchange at the time of filing of this Prospectus with the Stock Exchange.

Our Promoter and the members of our Promoter Group have confirmed that

- they have not been identified as wilful defaulters by the RBI or any other governmental authority;
- they 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 for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad;
- they have not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018;
- they are not 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 the SEBI and;
- there are no violations of securities laws committed by them in the past or any such proceedings are pending against them.

### **Relationship of Promoters with our Directors.**

Our Promoters i.e., Mr. Anjay Agarwal, *Chairman & Managing Director*; Mr. Venugopal Dhoot, *Whole Time Director; Director (Finance) and CFO* and Mrs. Ruchi Agarwal, *Executive Director (HR & Administration)* hold directorship in the Company as on the date of filing of the Prospectus.

For details regarding their directorship and change in the Board for the last three years in our Company, please refer to the chapter titled “*Our Management*” on page 114 of this Prospectus.

Except Mr. Anjay Agarwal who is husband of Mrs. Ruchi Agarwal, none of the other Directors and/ or KMPs are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013.

### **Change in Management and control of our Company**

There has been no change in the Management and control of our Company in the five years immediately preceding the date of this Prospectus.

### **Common Pursuits of Our Promoters**

As on the date of this Prospectus, none of our Promoters own any entities that have objects similar to that of our Company’s business.

### **Interests of Promoters**

#### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding in our Company, Directorship in our Company and the dividend declared, if any, by our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any.

For details regarding shareholding of our Promoters in our Company, please refer to the chapters titled “*Capital Structure*” on page 55 of this Prospectus.

Our Promoters may be interested to the extent of unsecured loans granted by them to our Company. For details refer Annexure XXVI titled “*Related Party Transactions*” under chapter titled “*Financial Statements*” on page 137 of this Prospectus.

### **Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years**

Except as stated in section titled “*Remuneration of Executive Directors*” under the chapter “*Our Management*” on page 118 of this Prospectus, “Annexure XXVI – Statement of Related Party Transactions” under the chapter “*Financial Statements*” on page 155 of this Prospectus and dividend paid on the Equity Shares held by the

Promoters and members of Promoter Group viz., Mr. Anjay Agarwal, Mrs. Ruchi Agarwal, Ms. Kanak Agarwal, Ms. Archana Agarwal, Mr. Venugopal Dhoot, Mrs. Shobha Dhoot, Mr. Vineet Dhoot and Mr. Anirudh Dhoot as mentioned under Chapter titled “*Capital Structure*” and “*Dividend Policy*” on page 136 of this Prospectus there has been no other payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Prospectus.

### **Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, see Chapter “*Our Management*” beginning on page 14 of this Prospectus.

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus. For details, related to “*Our Properties*” and “*Annexure XXVI - Related Party Transactions*” please refer chapter titled “*Financial Statements*” on page 155 of this Prospectus.

### **Interest of Promoters in our Company other than as Promoter**

Other than as Promoters, our Promoters are interested in our Company to the extent of their Directorships, shareholding in our Company, the dividend declared, if any, by our Company and unsecured loans if any granted by them to our Company. For details please see chapters titled “*Our Management*”, “*Capital Structure*”, “*Dividend Policy*” and Annexure XXVI - *Related Party Transactions*” in chapter titled “*Financial Statements*” beginning on page 14, 55, 136 and 155 respectively of this Prospectus.

### **Other ventures of our Promoters**

Except for Transcendal Animazion Private Limited, our Promoter are not involved with any other ventures, except as disclosed in this Prospectus.

Further, our Promoters are not involved in any venture that is in the same line of activity or business as that of our Company.

### **Payment or Benefit to Promoters of Our Company**

Save and except as stated otherwise in Annexure XXVI – “*Statement of Related Parties Transactions*” in the chapter titled “*Financial Statements*” beginning on page 155 of this Prospectus, no payment has been made or benefit given or is intended to be given to our Promoters in the two years preceding the date of this Prospectus.

### **Related Party Transactions**

Except as stated in the “*Annexure XXVI – Statement of Related Party Transactions*” on page 155 of this Prospectus, our Company has not entered into related party transactions with our Promoters.

### **Material Guarantees**

Except as stated in the “*Financial Indebtedness*” and “*Financial Statements*” beginning on page 167 and 137 of this Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

### **Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page 56 of this Prospectus.

### **Other Confirmations**

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoter is interested as members, directors or promoter nor have our Promoter been offered any inducements to become directors or otherwise to become interested in any firm or

company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXVI – Statement of Related Party Transactions” on page 155 of this Prospectus.

### Disassociation by Promoters

Our Promoters have not disassociated themselves from any company or firm in the three years preceding the date of the Prospectus.

### Outstanding Litigation

There is no outstanding litigation against our Promoter except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on page 21 and 169 of this Prospectus.

## OUR PROMOTER GROUP

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

### A. Natural Persons who are Part of the Promoter Group

| Name of the Promoter | Name of the Relative    | Relationship with the Promoter |
|----------------------|-------------------------|--------------------------------|
| <b>Anjay Agarwal</b> | Ratanlal Agarwal        | Father                         |
|                      | Shakuntala Devi Agarwal | Mother                         |
|                      | Ruchi Agarwal           | Wife                           |
|                      | Ganesh Agarwal          | Brother(s)                     |
|                      | Rekha Gupta             | Sister(s)                      |
|                      | Kanak Agarwal           | Daughter(s)                    |
|                      | Archana Agarwal         |                                |
|                      | Shri Krishna Agarwal    | Wife's Father                  |
|                      | Premalata Agarwal       | Wife's Mother                  |
|                      | Kapil Agarwal           | Wife's brother                 |

| Name of the Promoter       | Name of the Relative | Relationship with the Promoter |
|----------------------------|----------------------|--------------------------------|
| <b>Mr. Venugopal Dhoot</b> | Madanlal Dhoot       | Father                         |
|                            | Gomtidevi Dhoot      | Mother                         |
|                            | Shobha Dhoot         | Wife                           |
|                            | Sanjay Dhoot         | Brother(s)                     |
|                            | Sarladevi Toshniwal  | Sister(s)                      |
|                            | Usha Ladha           |                                |
|                            | Nisha Rathi          |                                |
|                            | Vineet Dhoot         | Son(s)                         |
|                            | Anirudh Dhoot        |                                |
|                            | Sukhdev Malani       | Wife's Father                  |
|                            | Leelabai Malani      | Wife's Mother                  |
|                            | Kamladevi Navander   | Wife's Sister(s)               |
|                            | Dr. Vimal Boob       |                                |
|                            | Dr. Nirmala Bajaj    |                                |
|                            | Sarla Daga           |                                |
|                            | Ramesh Malani        | Wife's Brother(s)              |
|                            | Brijmohan Malani     |                                |
|                            | Thakurdas Malani     |                                |
|                            | Bhagwandas Malani    |                                |
|                            | Sharad Malani        |                                |

| Name of the Promoter | Name of the Relative | Relationship with the Promoter |
|----------------------|----------------------|--------------------------------|
| <b>Ruchi Agarwal</b> | Shri Krishna Agarwal | Father                         |
|                      | Premalata Agarwal    | Mother                         |
|                      | Anjay Agarwal        | Husband                        |
|                      | Kapil Agarwal        | Brother                        |

| Name of the Promoter | Name of the Relative    | Relationship with the Promoter |
|----------------------|-------------------------|--------------------------------|
|                      | Kanak Agarwal           | Daughter(s)                    |
|                      | Archana Agarwal         |                                |
|                      | Ratanlal Agarwal        | Husband`s Father               |
|                      | Shakuntala Devi Agarwal | Husband`s Mother               |
|                      | Ganesh Agarwal          | Husband`s Brother(s)           |
|                      | Rekha Gupta             | Husband`s Sister(s)            |

**B. Companies / Corporate Entities forming part of the Promoter Group**

Company / Trust / Partnership firm / HUF or Sole Proprietorship shall form part of our Promoter Group.

| Sr. No. | Name of Promoter Entity / Company     |
|---------|---------------------------------------|
| I.      | Transcendal Animazion Private Limited |

## **OUR GROUP COMPANIES**

In terms of the SEBI ICDR Regulations, the term “group companies” includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

In accordance with the SEBI ICDR Regulations, a company shall be considered as a ‘Group Company’ if:

- Companies with which there were related party transactions as disclosed in the Restated Financial Information; and
- Such other companies as considered material by our Board.

Accordingly, as on the date of this Prospectus, our Company does not have any group companies.



## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last three financial years, as per the requirement under Accounting Standard 18 “*Related Party Disclosures*”, kindly refer “*Financial Statements - Related Party Transactions*” on page 155 of this Prospectus.

## DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

In accordance with Schedule III of the Companies Act, our Company has declared dividend in the Financial Year 2019-20, FY 2018-19 and FY 2017-18, details of which are as below:

| Particulars                                | (₹ in Lakhs)<br>For the Year Ended March 31, |              |              |
|--------------------------------------------|----------------------------------------------|--------------|--------------|
|                                            | 2020                                         | 2019         | 2018         |
| Equity Share Capital                       | 56.00                                        | 56.00        | 56.00        |
| Face Value of Equity Shares (₹ per shares) | 10.00                                        | 10.00        | 10.00        |
| Interim Dividend                           | Nil                                          | Nil          | Nil          |
| Final Dividend                             | 16.80                                        | 16.80        | 16.80        |
| <b>Total Dividend</b>                      | <b>16.80</b>                                 | <b>16.80</b> | <b>16.80</b> |
| <b>Total Dividend Distribution Tax</b>     | -*                                           | 3.45         | 3.45         |
| Rate of Dividend (%)                       | 30.00                                        | 30.00        | 30.00        |
| Total Dividend (₹ Per Share)               | 3.00                                         | 3.00         | 3.00         |
| Mode of Dividend                           | Cheque                                       | Cheque       | Cheque       |

\* According to Finance Act 2020, Company is not liable to pay Dividend Distribution Tax on Dividend.

The amount distributed as dividends in the past are not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. For further details, please refer section titled "Risk Factors" on page 21 of this Prospectus. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION VII – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### REPORT OF THE AUDITORS ON RESTATED FINANCIAL STATEMENTS

To,

The Board of Directors,  
**AAA Technologies Limited**  
At 278-280, F Wing, Solaris I,  
Saki Vihar Road, Opp L&T Gate No. 6,  
Powai, Andheri (East),  
Mumbai - 400072

We have examined the Restated Financial Statements and Other Financial Information of AAA Technologies Limited (the '**Company**') as approved by the Board of Directors of the Company at their meeting held on August 10, 2020 taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with inclusion in the Draft Prospectus / Prospectus in connection with its proposed Initial Public Offer ("IPO") on the SME Platform of National Stock Exchange (NSE) Of India Limited (NSE EMERGE) and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "**Offer Document**") in connection with the proposed Initial Public Offer ("**IPO**") of the Company in accordance with the requirements of:

Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the '**SEBI ICDR Regulations**') and the related clarifications issued by the Securities and Exchange Board of India ('**SEBI**') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time.

The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus / Prospectus being issued by the Company for its proposed IPO of equity shares on SME Platform of National Stock Exchange (NSE) Of India Limited (NSE EMERGE);

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**");;

We have examined the accompanied 'Restated Statement of Profit and Loss' (Annexure – II) for the years ended on March 31, 2020, 2019 and 2018 and the 'Restated Statement of Assets and Liabilities' (Annexure – I) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (Annexure – IV & V) thereon, which are the responsibility of the Company's management. The information has been extracted from the financial statements for the financial year ended on March 31, 2020, 2019 and 2018 audited by us, being the Statutory Auditor of the Company for respective years, approved by the Board of Directors.

In terms of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of AAA Technologies Limited, we, M/s. Vandana V Dodhia & Co. Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Based on our examination, we further report that:

The Restated Statement of Assets and Liabilities of the Company as at March 31, 2020, 2019 and 2018 examined by us, as set out in Annexure I to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Notes to Accounts in Annexure V.

The Restated Statement of Profit and Loss of the Company for financial year ended on March 31, 2020, 2019 and 2018 examined by us, as set out in Annexure II to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Statement of Adjustments to the audited financial statements in Annexure V.

The Restated Statement of Cash Flows of the Company for financial years ended on March 31, 2020, 2019 and 2018 examined by us, as set out in Annexure III to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Notes to Accounts in Annexure V.

The Restated Financial Statements have been made after incorporating adjustments for:

The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.

Prior period and other material amount in the respective financial years to which they relate which are stated in the Notes to Accounts as set out in Annexure V.

Such Financial statements do not require any corrective adjustments on account of:

Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("**the Order**"), as amended, issued by the Central Government of India in terms of sub - section (11) of section 143 of the act, on financial statements of the company for the financial years ended March 31, 2020, 2019 and 2018.

There are no Auditor's Qualifications in any of the Financial Statements of the Company for the financial year ended March 31, 2020, 2019 and 2018.

The Company is in compliant with all the Accounting Standards / Disclosures requirement as issued by Institute of Chartered Accountants till date.

Adjustments in Restated Financial Statements have been made in accordance with the correct accounting policies;

At the request of the company, we have also examined the following financial information ("Other 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:

Restated Statement of Share Capital (Annexure - VI)  
Restated Statement of Reserves & Surplus (Annexure - VII)  
Restated Statement of Short-Term Borrowings (Annexure - VIII)  
Restated Statement of Other Current Liabilities (Annexure- IX)  
Restated Statement of Short-Term Provisions (Annexure- X)  
Restated Statement of Property, Plant and Equipment (Annexure- XI)  
Restated Statement of Long-Term Loan & Advances (Annexure- XII)  
Restated Statement of Trade Receivables (Annexure - XIII)  
Restated Statement of Cash and Cash Equivalents (Annexure - XIV)  
Restated Statement of Short-Term Loans and Advances (Annexure - XV)

Restated Statement of Other Current Assets (Annexure – XVI)  
Restated Statement of Revenue from Operations (Annexure – XVII)  
Restated Statement of Other Income (Annexure – XVIII)  
Restated Statement of Other Employee Benefit Expenses (Annexure – XIX)  
Restated Statement of Finance Costs (Annexure – XX)  
Restated Statement of Other Expenses (Annexure – XXI)  
Restated Statement of Contingent Liabilities (Annexure – XXII)  
Restated Statement of Dividend (Annexure – XXIII)  
Restated Statement of Capitalization (Annexure – XXIV)  
Restated Statement of Accounting Ratios (Annexure – XXV)  
Restated Statement of Related Party Transactions (Annexure – XXVI)  
Restated Statement of Tax Shelter (Annexure – XXVII)

In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXVII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI ICDR Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us nor should this report be construed as new opinion on any of the financial statement referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, Vandana V. Dodhia & Co.**  
**Chartered Accountants**  
**Firm Registration No. 117812W**

Vandana V. Dodhia  
(Partner)  
**Membership No. 104000**

Place: Mumbai  
Date: August 10, 2020  
**UDIN:20104000AAAABI6954**

## ANNEXURE I

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

| Particulars                                             | Annexure | As at March 31, |               |                 |
|---------------------------------------------------------|----------|-----------------|---------------|-----------------|
|                                                         |          | 2020            | 2019          | 2018            |
| <b>EQUITY AND LIABILITIES</b>                           |          |                 |               |                 |
| <b><u>Shareholders' Funds</u></b>                       |          |                 |               |                 |
| a. Share Capital                                        | VI       | 56.00           | 56.00         | 56.00           |
| b. Reserves & Surplus                                   | VII      | 964.28          | 614.73        | 428.96          |
|                                                         |          | <b>1,020.28</b> | <b>670.73</b> | <b>484.96</b>   |
| <b><u>Share Application Money Pending Allotment</u></b> |          | -               | -             | -               |
| <b><u>Non-Current Liabilities</u></b>                   |          |                 |               |                 |
| a. Long Term Borrowings                                 |          | -               | -             | -               |
| b. Deferred Tax Liabilities (Net)                       |          | 3.62            | 4.00          | 3.86            |
|                                                         |          | <b>3.62</b>     | <b>4.00</b>   | <b>3.86</b>     |
| <b><u>Current Liabilities</u></b>                       |          |                 |               |                 |
| a. Short Term Borrowings                                | VIII     | -               | 54.36         | 34.13           |
| b. Other Current Liabilities                            | IX       | -               | 0.96          | 0.52            |
| c. Short Term Provisions                                | X        | 396.48          | 212.78        | 479.09          |
|                                                         |          | <b>396.48</b>   | <b>268.10</b> | <b>513.73</b>   |
| <b>TOTAL</b>                                            |          | <b>1,420.38</b> | <b>942.83</b> | <b>1,002.56</b> |
| <b>ASSETS</b>                                           |          |                 |               |                 |
| <b><u>Non-Current Assets</u></b>                        |          |                 |               |                 |
| a. Property, Plant and Equipment                        | XI       |                 |               |                 |
| i. Tangible Assets                                      |          | 105.50          | 110.50        | 57.87           |
| ii. Intangible Assets                                   |          | 0.92            | 1.13          | 1.63            |
|                                                         |          | <b>106.42</b>   | <b>111.63</b> | <b>59.50</b>    |
| b. Long Term Loans & Advances                           | XII      | 0.11            | 0.11          | 0.11            |
| <b><u>Current Assets</u></b>                            |          |                 |               |                 |
| a. Trade Receivables                                    | XIII     | 1,088.94        | 637.77        | 719.62          |
| b. Cash and Cash Equivalents                            | XIV      | 182.92          | 142.28        | 108.34          |
| c. Short Term Loans & Advances                          | XV       | 20.85           | 41.60         | 110.63          |
| d. Other Current Assets                                 | XVI      | 21.14           | 9.44          | 4.36            |
|                                                         |          | <b>1,313.85</b> | <b>831.09</b> | <b>942.95</b>   |
| <b>TOTAL</b>                                            |          | <b>1,420.38</b> | <b>942.83</b> | <b>1,002.56</b> |

For, Vandana V. Dodhia & Co.  
Chartered Accountants  
Firm Registration No. 117812W

For and on behalf of the Board of Directors of  
AAA Technologies Limited

Vandana V. Dodhia  
(Partner)  
Membership No. 104000  
Place: Mumbai  
Date: August 10, 2020  
UDIN:20104000AAAABI6954

(Chairman and Managing Director)  
(DIN: 00415477)

(Whole Time Director)  
(DIN: 02147946)

(Chief Financial Officer)  
(DIN : 02147946)

(Company Secretary)

**ANNEXURE II****STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ in lakhs)

| Particulars                                                         | Annexure | For the year ended March 31, |                 |                 |
|---------------------------------------------------------------------|----------|------------------------------|-----------------|-----------------|
|                                                                     |          | 2020                         | 2019            | 2018            |
| <b>INCOME</b>                                                       |          |                              |                 |                 |
| Revenue from Operations                                             | XVII     | 1,415.53                     | 1,033.91        | 1,023.45        |
| Other Income                                                        | XVIII    | 9.21                         | 13.58           | 16.55           |
| <b>Total Income (A)</b>                                             |          | <b>1,424.74</b>              | <b>1,047.49</b> | <b>1,040.00</b> |
| <b>EXPENDITURE</b>                                                  |          |                              |                 |                 |
| Employee benefit expenses                                           | XIX      | 441.64                       | 367.27          | 271.10          |
| Finance costs                                                       | XX       | 1.88                         | 7.82            | 4.19            |
| Depreciation & amortization                                         |          | 14.26                        | 13.75           | 4.77            |
| Other Expenses                                                      | XXI      | 473.39                       | 372.59          | 622.31          |
| <b>Total Expenses (B)</b>                                           |          | <b>931.17</b>                | <b>761.43</b>   | <b>902.37</b>   |
| <b>Profit before extraordinary items and tax (C)</b>                |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Prior period items (Net)                                            |          | -                            | -               | -               |
| <b>Profit before exceptional, extraordinary items and tax (A-B)</b> |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Exceptional items                                                   |          | -                            | -               | -               |
| <b>Profit before extraordinary items and tax</b>                    |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Extraordinary items                                                 |          | -                            | -               | -               |
| <b>Profit before tax (D)</b>                                        |          | <b>493.57</b>                | <b>286.06</b>   | <b>137.63</b>   |
| Tax expense:                                                        |          |                              |                 |                 |
| (i) Current tax                                                     |          | 124.15                       | 79.90           | 37.88           |
| (ii) Deferred tax                                                   |          | (0.38)                       | 0.14            | (0.22)          |
| <b>Total Tax Expense (E)</b>                                        |          | <b>123.77</b>                | <b>80.04</b>    | <b>37.66</b>    |
| <b>Profit for the year (D-E)</b>                                    |          | <b>369.80</b>                | <b>206.02</b>   | <b>99.97</b>    |

**For, Vandana V. Dodhia & Co.**  
**Chartered Accountants**  
**Firm Registration No. 117812W**

**For and on behalf of the Board of Directors of**  
**AAA Technologies Limited**

**Vandana V. Dodhia**  
**(Partner)**  
**Membership No. 104000**  
 Place: Mumbai  
 Date: August 10, 2020  
**UDIN:20104000AAAABI6954**

**(Chairman and Managing Director)**  
 (DIN: 00415477)

**(Whole Time Director)**  
 (DIN: 02147946)

**(Chief Financial Officer)**  
 (DIN : 02147946)

**(Company Secretary)**

## ANNEXURE III

## CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

| Particulars                                                           | For the year ended March 31, |                |                |
|-----------------------------------------------------------------------|------------------------------|----------------|----------------|
|                                                                       | 2020                         | 2019           | 2018           |
| <b>Cash flow from operating activities:</b>                           | -                            |                |                |
| Net Profit before tax as per Profit And Loss account                  | 493.57                       | 286.06         | 137.63         |
| <u>Adjusted for:</u>                                                  |                              |                |                |
| Depreciation & Amortization Expenses.                                 | 14.26                        | 13.75          | 4.77           |
| Finance Cost                                                          | 1.88                         | 7.82           | 4.19           |
| Interest Income                                                       | (9.05)                       | (13.48)        | (16.55)        |
| <b>Operating Profit Before Working Capital Changes</b>                | <b>500.66</b>                | <b>294.15</b>  | <b>130.04</b>  |
| <b>Adjusted for Increase/ Decrease in:</b>                            |                              |                |                |
| Trade Receivable                                                      | (451.17)                     | 81.85          | (502.59)       |
| Short Term Loans and advances                                         | 20.75                        | 69.03          | (10.57)        |
| Other Current Assets                                                  | (11.69)                      | (5.08)         | (23.99)        |
| Other Current Liabilities                                             | (0.96)                       | 0.44           | 0.52           |
| Short term Provisions                                                 | 130.54                       | (287.08)       | 434.96         |
| <b>Cash Generated From Operations Before Extra-Ordinary Items</b>     | <b>188.13</b>                | <b>153.31</b>  | <b>28.37</b>   |
| Direct Tax Paid                                                       | (71.00)                      | (59.13)        | 66.87          |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b>         | <b>117.13</b>                | <b>94.18</b>   | <b>95.24</b>   |
| <b>Cash Flow From Investing Activities:</b>                           |                              |                |                |
| Net Additions of Property, Plant and Equipment                        | (9.05)                       | (65.88)        | (24.87)        |
| Interest income                                                       | 9.05                         | 13.48          | 16.55          |
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b>         | <b>-</b>                     | <b>(52.40)</b> | <b>(8.32)</b>  |
| <b>Cash Flow from Financing Activities:</b>                           | <b>-</b>                     |                |                |
| Payment of interest                                                   | (1.88)                       | (7.82)         | (4.19)         |
| Payment of dividend with dividend distribution tax                    | (20.25)                      | (20.25)        | (3.37)         |
| Proceeds from long term / short term borrowings                       | (54.36)                      | 20.23          | (37.54)        |
| <b>Net Cash Flow from/(used in) Financing Activities (C)</b>          | <b>(76.49)</b>               | <b>(7.84)</b>  | <b>(45.10)</b> |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> | <b>40.64</b>                 | <b>33.94</b>   | <b>41.82</b>   |
| <b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>        | <b>142.28</b>                | <b>108.34</b>  | <b>66.52</b>   |
| <b>Cash &amp; Cash Equivalents As At End of the Year</b>              | <b>182.92</b>                | <b>142.28</b>  | <b>108.34</b>  |
| <u>Cash &amp; Cash Equivalents comprises of :</u>                     |                              |                |                |
| Cash in Hand                                                          | 0.42                         | 0.46           | 2.91           |
| Current Bank Accounts                                                 | 68.01                        | 36.99          | 25.48          |
| Deposit with Banks (Security against Guarantees)                      | 114.49                       | 104.83         | 79.95          |
| <b>Closing Balance of Cash &amp; Cash Equivalents</b>                 | <b>182.92</b>                | <b>142.28</b>  | <b>108.34</b>  |

For, Vandana V. Dodhia & Co.  
Chartered Accountants  
Firm Registration No. 117812W

For and on behalf of the Board of Directors of  
AAA Technologies Limited

Vandana V. Dodhia  
(Partner)  
Membership No. 104000  
Place: Mumbai  
Date: August 10, 2020  
UDIN:20104000AAAABI6954

(Chairman and Managing Director)  
(DIN: 00415477)

(Whole Time Director)  
(DIN: 02147946)

(Chief Financial Officer)  
(DIN : 02147946)

(Company Secretary)



## ANNEXURE IV

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. Corporate Information

AAA Technologies Limited (the ‘**Company**’) is a limited company domiciled in India and incorporated under the Companies Act 1956 initially as ‘AAA Technologies Private Limited’. The Company is primarily in the business of providing auditing and consultancy services encompassing areas such as Information Systems, Information Security, Cyber Security, Information Technology Assurance and Compliance, and Information Technology Governance and act as auditors, consultants, advisors, developers, consulting engineers, trainers, instructors in above such activities whether in the capacity of principals, agents, contractors or subcontractors.

#### B. Significant Accounting Policies

##### Basis for preparation of Restated Financial Statement

- i. These Restated Financial Statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 read with the Rule 7 of Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 (the “**Act**”).
- ii. The Restated Financial Statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.
- iii. All the assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

##### Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognized in the period in which the results are known / materialized.

##### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and therevenue can be reliably measured and it is reasonable to expect ultimate collection. The following specific recognition criteria must also be met before revenue is recognized:

###### *Sale of services:*

Revenue is measured at the fair value of the consideration received or receivable with respect to the degree of completion of each Service.

###### *Interest:*

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rateapplicable. Interest income is included under the head “other income” in the statement of profit and loss.

##### Expenditure

Expenditures are accounted for on accrual basis and provision is made for all known losses and liabilities.

##### Investments

Current investments are carried at lower of cost and quoted / fair value, computed category-wise. Non-Current investments are stated at cost. Provision for diminution in the value of Non-Current investments is made only if such a decline is other than temporary

## **Property, Plant & Equipment**

Property, Plant and Equipment are stated at cost of acquisition or construction less depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during the construction incurred up to the date of commissioning.

Capital Work in Progress includes capital items not installed or Building construction not completed and preoperative expenditure related to and incurred during implementation of projects and pending to be allocated.

## **Depreciation**

- i. Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- ii. Depreciation in respect of addition to the Property, Plant and Equipment is provided on Pro-rata basis in which such assets are acquired / installed.
- iii. Depreciation on Intangible Assets has been provided as per the estimated useful life of the assets as estimated. i.e. 3 years.

## **Impairment of Property, Plant and Equipment**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

## **Foreign Currency Transactions**

In accordance with Accounting Standard (AS) 11 on Accounting for the Effects of changes in Foreign Exchange Rates, Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction date. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss Account, Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognized in the Profit and Loss Account.

## **Taxation**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

## **Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposit with banks. Cash equivalent are short term deposit, highly liquid investments that are readily convertible into known amount of cash and which are subject to significant rise of change in value.

## **Cash Flow Statement**

Cash flow statement are reported using the indirect method, whereby profit is adjusted for effect of transactions on non-cash of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing are segregated based on the available information.

## **Provision, Contingent Liabilities and Contingent Assets**

Provision are recognized for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly in control of the company are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

## **Segmental Reporting**

As the Company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements as per Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable

## **Operating Leases**

Asset held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. Assets held under operating leases are neither recognized (in case the Company is lessee) nor derecognized (in case the Company is lessor) from the Company's Balance Sheet.

Lease payments

Payments made or received under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## NOTES TO ACCOUNTS

## ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

(₹ in Lakhs)

| Particulars                                    | For the year ended March 31, |               |               |
|------------------------------------------------|------------------------------|---------------|---------------|
|                                                | 2020                         | 2019          | 2018          |
| <b>PAT As per Audited Financial Statement</b>  | <b>369.30</b>                | <b>206.21</b> | <b>100.05</b> |
| Add/(Less): Earlier Year Taxes                 | 0.50                         | (0.19)        | (0.08)        |
| <b>PAT as per restated Financial Statement</b> | <b>369.80</b>                | <b>206.02</b> | <b>99.97</b>  |

## Notes:

1. **Material Regrouping**

Appropriate adjustments have been made in the respective years of Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profits and Losses and Restated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the Audited financials of the Company for the year ended March 31, 2020, 2019 and 2018 prepared in accordance with Schedule III, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 and as amended.

2. There are no audit qualifications, disclaimer of opinion, adverse opinion or emphasis of matter para in respect of financials of last three years of the Company.

3. **Changes in Accounting Policies in the Last Three Years**

There is no change in accounting policy.

4. **Dividend Payment**

The Company has paid final dividend in the Financial Year 2020, 2019 and 2018 the details of the same has been given in Annexure XXIII.

5. **Changes in Accounting Period**

There has been no change in the accounting period of the Company.

6. **Managerial Remuneration**

(₹ in Lakhs)

| Particulars             | For the year ended March 31, |        |        |
|-------------------------|------------------------------|--------|--------|
|                         | 2020                         | 2019   | 2018   |
| Directors' Remuneration | 160.00                       | 163.50 | 134.00 |

7. **Deferred Tax:**

(₹ in Lakhs)

| Particulars                                                                   | For the year ended March 31, |             |             |
|-------------------------------------------------------------------------------|------------------------------|-------------|-------------|
|                                                                               | 2020                         | 2019        | 2018        |
| Deferred tax liabilities/(assets) arising on account of timing difference in: |                              |             |             |
| Opening Balance                                                               | 4.00                         | 3.86        | 4.08        |
| Addition During the year                                                      | (0.38)                       | 0.14        | (0.22)      |
| <b>Total of Deferred Tax</b>                                                  | <b>3.62</b>                  | <b>4.00</b> | <b>3.86</b> |

8. **Remuneration to Statutory Auditors**

(₹ in Lakhs)

| Particulars                           | For the year ended March 31, |             |             |
|---------------------------------------|------------------------------|-------------|-------------|
|                                       | 2020                         | 2019        | 2018        |
| For Statutory, GST and Tax Audit fees | 0.60                         | 0.50        | 0.50        |
| Certification / Other Services        | 0.06                         | 0.07        | 0.04        |
| <b>Total</b>                          | <b>0.66</b>                  | <b>0.57</b> | <b>0.54</b> |

9. Information Regarding Foreign Exchange earnings and expenditures

(₹in Lakhs)

| Particulars              | For the year ended March 31, |        |        |
|--------------------------|------------------------------|--------|--------|
|                          | 2020                         | 2019   | 2018   |
| Foreign Exchange Outflow | (5.17)                       | (5.30) | (6.39) |

**ANNEXURE VI**

**RESTATED STATEMENT OF SHARE CAPITAL**

(₹in lakhs, except No.of shares)

| Particulars                                    | As at March 31, |              |              |
|------------------------------------------------|-----------------|--------------|--------------|
|                                                | 2020            | 2019         | 2018         |
| <b>Authorised Share Capital:</b>               |                 |              |              |
| 6,10,000 Equity Shares of ₹ 10/- each          | 61.00           | 61.00        | 61.00        |
| <b>Total</b>                                   | <b>61.00</b>    | <b>61.00</b> | <b>61.00</b> |
|                                                |                 |              |              |
| <b>Issued, Subscribed and Paid Up Capital:</b> |                 |              |              |
| 5,60,000 Equity Shares of ₹ 10/- each          | 56.00           | 56.00        | 56.00        |
| <b>Total</b>                                   | <b>56.00</b>    | <b>56.00</b> | <b>56.00</b> |

The details of shareholders holding more than 5% shares:

| Particulars        | As at March 31, |        |               |        |               |        |
|--------------------|-----------------|--------|---------------|--------|---------------|--------|
|                    | 2020            |        | 2019          |        | 2018          |        |
|                    | No. of shares   | % held | No. of shares | % held | No. of shares | % held |
| Anjay Agarwal      | 140,000         | 25.00  | 140,000       | 25.00  | 140,000       | 25.00  |
| Ruchi Agarwal      | 120,000         | 21.43  | 140,000       | 25.00  | 140,000       | 25.00  |
| Venugopal M. Dhoot | 70,000          | 12.50  | 70,000        | 12.50  | 70,000        | 12.50  |
| Shobha Dhoot       | 70,000          | 12.50  | 70,000        | 12.50  | 70,000        | 12.50  |
| Anirudh Dhoot      | 70,000          | 12.50  | 70,000        | 12.50  | 70,000        | 12.50  |
| Vineet Dhoot       | 70,000          | 12.50  | 70,000        | 12.50  | 70,000        | 12.50  |

Restated Reconciliation of number of shares outstanding:

| Particulars                          | As at March 31, |         |         |
|--------------------------------------|-----------------|---------|---------|
|                                      | 2020            | 2019    | 2018    |
| <b>Equity Shares</b>                 |                 |         |         |
| At the beginning of the year         | 560,000         | 560,000 | 560,000 |
| Add: Shares Issued During the Year   |                 |         |         |
| Bonus Issue                          | -               | -       | -       |
| Right Issue                          | -               | -       | -       |
| Equity Shares at the end of the year | 560,000         | 560,000 | 560,000 |

- Right, preferences and restrictions attached to shares.
- Every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held for all matter submitted to vote in a shareholders meeting of the company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion of the number of shares held to the total equity shares outstanding as on that date.

**ANNEXURE VII****RESTATED STATEMENT OF RESERVES AND SURPLUS**

(₹in lakhs)

| Particulars                                  | As at March 31, |               |               |
|----------------------------------------------|-----------------|---------------|---------------|
|                                              | 2020            | 2019          | 2018          |
| <b>Profit and Loss Account</b>               |                 |               |               |
| Opening Balance                              | 362.73          | 176.96        | 77.00         |
| <b>Add / (Less): Changes during the year</b> |                 |               |               |
| Add: Profit After Tax                        | 369.80          | 206.02        | 99.97         |
| less: Adjustment For Depreciation            | -               | -             | -             |
| Interim / Final Dividend                     | (16.80)         | (16.80)       | -             |
| Equity Dividend Distribution Tax             | (3.45)          | (3.45)        | -             |
| Closing Balance                              | 712.28          | 362.73        | 176.96        |
| <b>Securities Premium</b>                    |                 |               |               |
| Opening Balance                              | 252.00          | 252.00        | 252.00        |
| Add: Additions during the year               | -               | -             | -             |
| Utilisation during the year                  | -               | -             | -             |
| <b>Closing Balance</b>                       | <b>252.00</b>   | <b>252.00</b> | <b>252.00</b> |
| <b>Total</b>                                 | <b>964.28</b>   | <b>614.73</b> | <b>428.96</b> |

**ANNEXURE – VIII****RESTATED STATEMENT OF SHORT-TERM BORROWINGS**

(₹in lakhs)

| Particulars                      | As at March 31, |              |              |
|----------------------------------|-----------------|--------------|--------------|
|                                  | 2020            | 2019         | 2018         |
| <b>Unsecured Loans</b>           |                 |              |              |
| From Directors & their relatives | -               | 54.36        | 34.13        |
| <b>Total</b>                     | <b>-</b>        | <b>54.36</b> | <b>34.13</b> |

**ANNEXURE – IX****RESTATED STATEMENT OF OTHER CURRENT LAIBILITIES**

(₹in lakhs)

| Particulars                     | As at March 31, |             |             |
|---------------------------------|-----------------|-------------|-------------|
|                                 | 2020            | 2019        | 2018        |
| Advance received from customers | -               | 0.96        | 0.52        |
| <b>Total</b>                    | <b>-</b>        | <b>0.96</b> | <b>0.52</b> |

**ANNEXURE – X****RESTATED STATEMENT OF SHORT-TERM PROVISIONS**

(₹in lakhs)

| Particulars                     | As at March 31, |               |               |
|---------------------------------|-----------------|---------------|---------------|
|                                 | 2020            | 2019          | 2018          |
| Provision For Tax               | 41.07           | -             | -             |
| Provision for Employee Benefits | 132.49          | 71.50         | 55.41         |
| Statutory Dues Payable          | 87.20           | 67.83         | 94.16         |
| Provision For Expenses          | 0.96            | 1.38          | 1.79          |
| Audit Fees Payable              | 0.72            | 0.65          | 0.45          |
| Other Current Liabilities       | 134.03          | 71.43         | 327.29        |
| <b>Total</b>                    | <b>396.48</b>   | <b>212.78</b> | <b>479.09</b> |

## ANNEXURE - XI

## RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT

(₹in lakhs)

| Particulars                            | As at March 31, |               |              |
|----------------------------------------|-----------------|---------------|--------------|
|                                        | 2020            | 2019          | 2018         |
| <b>Tangible Assets</b>                 |                 |               |              |
| <b>Building</b>                        |                 |               |              |
| Gross Block                            | 116.47          | 54.96         | 54.96        |
| Addition during the year               | -               | 61.51         | -            |
| Reduction during the year              | -               | -             | -            |
| Depreciation During the year           | 4.45            | 3.76          | 1.72         |
| Accumulated Depreciation               | 29.49           | 25.04         | 21.28        |
| <b>Closing Balance</b>                 | <b>86.98</b>    | <b>91.43</b>  | <b>33.68</b> |
| <b>Office Equipment</b>                |                 |               |              |
| Gross Block                            | 6.41            | 6.06          | 5.60         |
| Addition during the year               | -               | 0.35          | 0.46         |
| Reduction during the year              | -               | -             | -            |
| Depreciation During the year           | 0.34            | 0.50          | 0.55         |
| Accumulated Depreciation               | 5.81            | 5.47          | 4.97         |
| <b>Closing Balance</b>                 | <b>0.60</b>     | <b>0.94</b>   | <b>1.09</b>  |
| <b>Furniture And Fixtures</b>          |                 |               |              |
| Gross Block                            | 0.50            | 0.50          | 0.30         |
| Addition during the year               | 0.07            | -             | 0.20         |
| Reduction during the year              | -               | -             | -            |
| Depreciation During the year           | 0.04            | 0.05          | 0.04         |
| Accumulated Depreciation               | 0.38            | 0.34          | 0.29         |
| <b>Closing Balance</b>                 | <b>0.19</b>     | <b>0.16</b>   | <b>0.21</b>  |
| <b>Motor Vehicles</b>                  |                 |               |              |
| Gross Block                            | 26.20           | 26.20         | 4.24         |
| Addition during the year               | -               | -             | 21.96        |
| Reduction during the year              | -               | -             | -            |
| Depreciation During the year           | 4.53            | 6.59          | 0.86         |
| Accumulated Depreciation               | 16.01           | 11.48         | 4.89         |
| <b>Closing Balance</b>                 | <b>10.19</b>    | <b>14.72</b>  | <b>21.31</b> |
| <b>Computer</b>                        |                 |               |              |
| Gross Block                            | 22.16           | 18.21         | 17.46        |
| Addition during the year               | 8.98            | 3.95          | 0.75         |
| Reduction during the year              | -               | -             | -            |
| Depreciation During the year           | 4.69            | 2.28          | 0.93         |
| Accumulated Depreciation               | 23.60           | 18.91         | 16.63        |
| <b>Closing Balance</b>                 | <b>7.54</b>     | <b>3.25</b>   | <b>1.58</b>  |
| <b>Gross Block of Tangible Assets</b>  | <b>171.74</b>   | <b>105.93</b> | <b>82.56</b> |
| <b>Addition During the year</b>        | <b>9.05</b>     | <b>65.81</b>  | <b>23.37</b> |
| <b>Deletion During The year</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>     |
| <b>Total Depreciation For the Year</b> | <b>14.05</b>    | <b>13.18</b>  | <b>4.10</b>  |
| <b>Depreciation on deletion</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>     |
| <b>Total Accumulated Depreciation</b>  | <b>75.29</b>    | <b>61.24</b>  | <b>48.06</b> |
| <b>Net Block of Tangible Assets</b>    | <b>105.50</b>   | <b>110.50</b> | <b>57.87</b> |
| <b>Intangible Assets</b>               |                 |               |              |
| <b>Software</b>                        |                 |               |              |
| Gross Block                            | 17.59           | 17.52         | 16.02        |

| Particulars                                   | As at March 31, |               |              |
|-----------------------------------------------|-----------------|---------------|--------------|
|                                               | 2020            | 2019          | 2018         |
| Addition during the year                      | -               | 0.07          | 1.50         |
| Reduction Deletion during the year            | -               | -             | -            |
| Depreciation During the year                  | 0.21            | 0.57          | 0.67         |
| Accumulated Depreciation                      | 16.67           | 16.46         | 15.89        |
| <b>Closing Balance</b>                        | <b>0.92</b>     | <b>1.13</b>   | <b>1.63</b>  |
|                                               |                 |               |              |
| <b>Gross Block of Intangible Assets</b>       | <b>17.59</b>    | <b>17.52</b>  | <b>16.02</b> |
| <b>Addition During the year</b>               | <b>-</b>        | <b>0.07</b>   | <b>1.50</b>  |
| <b>Deletion During The year</b>               | <b>-</b>        | <b>-</b>      | <b>-</b>     |
| <b>Total Depreciation For the Year</b>        | <b>0.21</b>     | <b>0.57</b>   | <b>0.67</b>  |
| <b>Total Accumulated Depreciation</b>         | <b>16.67</b>    | <b>16.46</b>  | <b>15.89</b> |
| <b>Net Block of Intangible Assets</b>         | <b>0.92</b>     | <b>1.13</b>   | <b>1.63</b>  |
|                                               |                 |               |              |
| <b>Gross Block</b>                            | <b>189.33</b>   | <b>123.45</b> | <b>98.58</b> |
| <b>Addition During the year</b>               | <b>9.05</b>     | <b>65.88</b>  | <b>24.87</b> |
| <b>Deletion During The year</b>               | <b>0.00</b>     | <b>0.00</b>   | <b>0.00</b>  |
| <b>Total Depreciation For the Year</b>        | <b>14.26</b>    | <b>13.75</b>  | <b>4.77</b>  |
| <b>Depreciation on deletion</b>               | <b>0.00</b>     | <b>0.00</b>   | <b>0.00</b>  |
| <b>Opening Total Accumulated Depreciation</b> | <b>91.96</b>    | <b>77.70</b>  | <b>63.95</b> |
| <b>Net Block</b>                              | <b>106.42</b>   | <b>111.63</b> | <b>59.50</b> |



**ANNEXURE – XII****RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(₹in lakhs)

| Particulars  | As at March 31, |             |             |
|--------------|-----------------|-------------|-------------|
|              | 2020            | 2019        | 2018        |
| Deposits     | 0.11            | 0.11        | 0.11        |
| <b>Total</b> | <b>0.11</b>     | <b>0.11</b> | <b>0.11</b> |

**ANNEXURE – XIII****RESTATED DETAILS OF TRADE RECEIVABLES**

(₹in lakhs)

| Particulars                                                                          | As at March 31, |               |               |
|--------------------------------------------------------------------------------------|-----------------|---------------|---------------|
|                                                                                      | 2020            | 2019          | 2018          |
| Outstanding for a period exceeding six months from the date they are due for payment | 73.05           | 35.51         | 32.04         |
| Others Receivables                                                                   | 1015.89         | 602.26        | 687.58        |
| <b>Total</b>                                                                         | <b>1,088.94</b> | <b>637.77</b> | <b>719.62</b> |

**ANNEXURE – XIV****RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS**

(₹in lakhs)

| Particulars                                      | As at March 31, |               |               |
|--------------------------------------------------|-----------------|---------------|---------------|
|                                                  | 2020            | 2019          | 2018          |
| Cash in Hand                                     | 0.42            | 0.46          | 2.91          |
| Current Bank Accounts                            | 68.01           | 36.99         | 25.48         |
| Deposit with Banks (Security against Guarantees) | 114.49          | 104.83        | 79.95         |
| <b>Total</b>                                     | <b>182.92</b>   | <b>142.28</b> | <b>108.34</b> |

**ANNEXURE – XV****RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(₹in lakhs)

| Particulars       | As at March 31, |              |               |
|-------------------|-----------------|--------------|---------------|
|                   | 2020            | 2019         | 2018          |
| Advance Tax & TDS | -               | 12.08        | 32.85         |
| GST Receivable    | -               | 1.18         | 21.30         |
| Deposits          | 19.85           | 19.24        | 55.04         |
| Others            | 1.00            | 9.10         | 1.44          |
| <b>Total</b>      | <b>20.85</b>    | <b>41.60</b> | <b>110.63</b> |

**ANNEXURE – XVI****RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(₹in lakhs)

| Particulars                        | As at March 31, |             |             |
|------------------------------------|-----------------|-------------|-------------|
|                                    | 2020            | 2019        | 2018        |
| Prepaid expenses                   | 4.05            | 6.35        | 3.64        |
| Interest Accrued on Fixed Deposits | 6.28            | 3.09        | 0.72        |
| Preliminary Expenses               | 10.80           | -           | -           |
| <b>Total</b>                       | <b>21.14</b>    | <b>9.44</b> | <b>4.36</b> |

**ANNEXURE – XVII****DETAILS OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹in lakhs)

| Particulars                    | As at March 31, |                 |                 |
|--------------------------------|-----------------|-----------------|-----------------|
|                                | 2020            | 2019            | 2018            |
| <b>Revenue from operations</b> |                 |                 |                 |
| Sale of services               | 1,415.53        | 1,033.91        | 1,023.45        |
| <b>Total</b>                   | <b>1,415.53</b> | <b>1,033.91</b> | <b>1,023.45</b> |

**ANNEXURE – XVIII****DETAILS OF OTHER INCOME, AS RESTATED**

(₹in lakhs)

| Particulars                 | As at March 31, |              |              |
|-----------------------------|-----------------|--------------|--------------|
|                             | 2020            | 2019         | 2018         |
| <b>Other Income</b>         |                 |              |              |
| Interest Income             | 9.05            | 13.48        | 16.55        |
| Sundry balances written off | 0.16            | 0.10         | -            |
| <b>Total</b>                | <b>9.21</b>     | <b>13.58</b> | <b>16.55</b> |

**ANNEXURE – XIX****RESTATED STATEMENT OF OTHER EMPLOYEE BENEFIT EXPENSES**

(₹in lakhs)

| Particulars            | As at March 31, |               |               |
|------------------------|-----------------|---------------|---------------|
|                        | 2020            | 2019          | 2018          |
| Salary, Wages & Bonus  | 281.27          | 203.49        | 137.04        |
| Staff Welfare Expenses | 0.01            | 0.02          | 0.06          |
| Directors Remuneration | 160.00          | 163.50        | 134.00        |
| Stipend                | 0.36            | 0.26          | -             |
| <b>Total</b>           | <b>441.64</b>   | <b>367.27</b> | <b>271.10</b> |

**ANNEXURE – XX****RESTATED DETAILS OF FINANCE COSTS**

(₹in lakhs)

| Particulars            | As at March 31, |             |             |
|------------------------|-----------------|-------------|-------------|
|                        | 2020            | 2019        | 2018        |
| Bank & Finance Charges | 1.88            | 1.34        | 4.19        |
| Interest- Others       | -               | 6.48        | -           |
| <b>Total</b>           | <b>1.88</b>     | <b>7.82</b> | <b>4.19</b> |

**ANNEXURE – XXI****RESTATED STATEMENT OF OTHER EXPENSES**

(₹in lakhs)

| Particulars              | As at March 31, |               |               |
|--------------------------|-----------------|---------------|---------------|
|                          | 2020            | 2019          | 2018          |
| Other Operating Expenses | 473.39          | 372.59        | 622.31        |
| <b>Total</b>             | <b>473.39</b>   | <b>372.59</b> | <b>622.31</b> |

**ANNEXURE – XXII****RESTATED STATEMENT OF CONTINGENT LIABILITIES**

(₹in lakhs)

| Particulars                                        | As at March 31, |               |               |
|----------------------------------------------------|-----------------|---------------|---------------|
|                                                    | 2020            | 2019          | 2018          |
| Bank Guarantee, Letter of Credit, Bills Discounted | 203.75          | 181.65        | 200.54        |
| <b>Total</b>                                       | <b>203.75</b>   | <b>181.65</b> | <b>200.54</b> |

**ANNEXURE – XXIII****RESTATED STATEMENT OF DIVIDEND**

(₹in lakhs except face value and amount of dividend per share)

| Particulars                      | As at March 31, |        |        |
|----------------------------------|-----------------|--------|--------|
|                                  | 2020            | 2019   | 2018   |
| Issued Number of Shares          | 560000          | 560000 | 560000 |
| Face Value Per Share             | 10.00           | 10.00  | 10.00  |
| <b>Interim Dividend (a)</b>      | -               | -      | -      |
| <b>Final Dividend</b>            |                 |        |        |
| <b>Rate of Dividend (%)</b>      | 30%             | 30%    | 30%    |
| Amount of Dividend per Share     | 3.00            | 3.00   | 3.00   |
| <b>Final Dividend Amount (b)</b> | 16.80           | 16.80  | 16.80  |
| Total amount of Dividend (a+b)   | 16.80           | 16.80  | 16.80  |
| <b>Total Dividend Tax</b>        | -               | 3.45   | 3.45   |

**ANNEXURE – XXIV****RESTATED STATEMENT OF CAPITALIZATION**

(₹in lakhs)

| Particulars                                         | Pre-Issue<br>(as at March 31,<br>2020) | Post Issue |
|-----------------------------------------------------|----------------------------------------|------------|
| <b>Borrowings</b>                                   |                                        |            |
| Long term debt (A)                                  | -                                      | -          |
| Short Term Debt (B)                                 | -                                      | -          |
| <b>Total debts (C=A+B)</b>                          | -                                      | -          |
| <b>Shareholders' funds</b>                          |                                        |            |
| Equity share capital (D)                            | 56.00*                                 | 1,819.40   |
| Reserve and surplus - as restated (E)               | 964.28*                                | 2,142.18   |
| <b>Total shareholders' funds (F=D+E)</b>            | 1,020.28                               | 3,961.58   |
| <b>Long term debt / shareholders' funds (A / F)</b> | -                                      | -          |
| <b>Total debt / shareholders' funds (C / F)</b>     | -                                      | -          |

\* - The Company has issued Bonus Shares in the ratio of 19:2 to the existing shareholders and also a further Rights Issue in the ratio of 1:25 consequent to which the Equity Share Capital as on date stands at Rs. 611.52 lakhs; Reserves and Surplus at Rs. 507.54 lakhs; with Total Shareholders' funds aggregating to Rs. 1119.06 lakhs

## RESTATED STATEMENT OF ACCOUNTING RATIOS

(₹ in lakhs except number of shares)

| Particulars                                                                                  | As at March 31, |           |           |
|----------------------------------------------------------------------------------------------|-----------------|-----------|-----------|
|                                                                                              | 2020            | 2019      | 2018      |
| Restated PAT as per P & L Account                                                            | 369.80          | 206.02    | 99.97     |
| Actual Number of Equity Shares outstanding at the end of the year                            | 5,60,000        | 5,60,000  | 5,60,000  |
| Equivalent Weighted Average number of Equity Shares at the end of the year*                  | 58,80,000       | 58,80,000 | 58,80,000 |
| Share Capital                                                                                | 56.00           | 56.00     | 56.00     |
| Reserves & Surplus                                                                           | 964.28          | 614.73    | 428.96    |
| Misc. Expenses not w/off                                                                     | -               | -         | -         |
| Net Worth                                                                                    | 1,020.28        | 670.73    | 484.96    |
| <b>Earnings Per Share:</b>                                                                   |                 |           |           |
| Pre – Bonus                                                                                  | 66.04           | 36.79     | 17.85     |
| Post – Bonus                                                                                 | 6.29            | 3.50      | 1.70      |
| Return on Net Worth (%)                                                                      | 36.24%          | 30.72%    | 20.61%    |
| Net Asset Value Per Share (Rs) - based on actual no. of equity shares at the end of the year | 182.19          | 119.77    | 86.60     |
| Nominal Value per Equity share (Rs.)                                                         | 10.00           | 10.00     | 10.00     |

\* Company has issued 53,20,000 Equity shares of Face Value of Rs. 10 each as bonus shares having Face Value Rs. 10/- each vide shareholders resolution dated August 07, 2020 in the ratio of 19:2. As per AS-20 - Earning Per Share the dilutive effect of bonus shares is given in previous years to calculate Equivalent Weighted Average Number of Equity Shares for the purpose of dilutive earning per share.

**Notes to Accounting Ratios:**

1. The Ratios have been computed as follows:

**a) Earnings Per Share – Pre Bonus (₹)**

Net Profit After Tax as restated

-----

Number of Equity Shares outstanding during the year

**b) Earnings Per Share – Post Bonus (₹)**

Net Profit After Tax as restated

-----

Weighted Average Number of Equity Shares outstanding during the year

**c) Return on Net worth (%)**

Net Profit after Tax as restated

----- \* 100

Net Worth

**d) Net Asset Value Per Equity Share (₹)**

Net Worth

-----

No. Of Equity shares outstanding at the end of the year

2. The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS – 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

3. The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.

4. The above statements should be read with the Notes to Restated Financial Statements.

**RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

**Key Managerial Personnel**

| For the year ended March 31, |                     |                     |
|------------------------------|---------------------|---------------------|
| 2020                         | 2019                | 2018                |
| Mr. Anjay Agarwal            | Mr. Anjay Agarwal   | Mr. Anjay Agarwal   |
| Mrs. Ruchi Agarwal           | Mrs. Ruchi Agarwal  | Mrs. Ruchi Agarwal  |
| Mr. Venugopal Dhoot          | Mr. Venugopal Dhoot | Mr. Venugopal Dhoot |

**Particulars of Transactions with Key Management Personnel**

(₹in lakhs)

| Particulars                       | For the year ended March 31, |              |              |
|-----------------------------------|------------------------------|--------------|--------------|
|                                   | 2020                         | 2019         | 2018         |
| <b>Mr. Anjay Agarwal</b>          |                              |              |              |
| 1) Finance - Loan Taken           |                              |              |              |
| Opening Outstanding               | 54.36                        | 34.13        | 14.34        |
| Loan taken in Current F.Y.        | -                            | 83.89        | 60.60        |
| Repayment of loan in Current F.Y. | 54.36                        | 63.66        | 40.81        |
| <b>Closing balance</b>            | <b>-</b>                     | <b>54.36</b> | <b>34.13</b> |
| 2) Remuneration                   | 75.00                        | 78.50        | 54.00        |
| <b>Mrs. Ruchi Agarwal</b>         |                              |              |              |
| 1) Remuneration                   | 10.00                        | 10.00        | 10.00        |
| <b>Mr. Venugopal Dhoot</b>        |                              |              |              |
| 1) Remuneration                   | 75.00                        | 75.00        | 70.00        |

**ANNEXURE – XXVII**

**RESTATED STATEMENT OF TAX SHELTER**

(₹ In lakhs)

| Particulars                                           | For the year ended March 31, |               |               |
|-------------------------------------------------------|------------------------------|---------------|---------------|
|                                                       | 2020                         | 2019          | 2018          |
| Tax Rates                                             |                              |               |               |
| Income Tax Rate (%)                                   | 22.00%                       | 25.00%        | 25.00%        |
| Minimum Alternate Tax Rate (%)                        | 18.50%                       | 18.50%        | 18.50%        |
|                                                       |                              |               |               |
| <b>Restated Income before tax as per books (A)</b>    | <b>493.57</b>                | <b>286.06</b> | <b>137.63</b> |
|                                                       |                              |               |               |
| <b><u>Tax Adjustment</u></b>                          |                              |               |               |
| <b>Permanent Differences (B)</b>                      | -                            | -             | -             |
|                                                       |                              |               |               |
| <b>Timing Differences</b>                             |                              |               |               |
| Depreciation as per Income Tax                        | 14.67                        | 14.11         | 5.59          |
| Depreciation as per Books                             | 14.26                        | 13.75         | 4.77          |
| <b>Total Timing Differences (C)</b>                   | <b>(0.41)</b>                | <b>(0.36)</b> | <b>(0.82)</b> |
|                                                       |                              |               |               |
| <b>Income from Business or Profession (D)=(A+B+C)</b> | <b>493.16</b>                | <b>285.70</b> | <b>136.81</b> |
|                                                       |                              |               |               |
| Net Taxable Income at Normal rate                     | 493.16                       | 285.70        | 136.81        |
| Tax on Total Income                                   | 108.50                       | 71.43         | 34.20         |
| MAT on Book Profit                                    | 91.31                        | 52.92         | 25.46         |
| <b>Tax paid as per normal or MAT</b>                  | <b>Normal</b>                | <b>Normal</b> | <b>Normal</b> |
| <b>Total Tax as per Return</b>                        | <b>124.15</b>                | <b>79.90</b>  | <b>37.88</b>  |

## OTHER FINANCIAL INFORMATION

### RESTATED STATEMENT OF ACCOUNTING RATIOS

(₹ in lakhs except number of shares)

| Particulars                                                                                  | As at March 31, |           |           |
|----------------------------------------------------------------------------------------------|-----------------|-----------|-----------|
|                                                                                              | 2020            | 2019      | 2018      |
| Restated PAT as per P & L Account                                                            | 369.80          | 206.02    | 99.97     |
| Actual Number of Equity Shares outstanding at the end of the year                            | 560,000         | 560,000   | 560,000   |
| Equivalent Weighted Average number of Equity Shares at the end of the year*                  | 5,880,000       | 5,880,000 | 5,880,000 |
| Share Capital                                                                                | 56.00           | 56.00     | 56.00     |
| Reserves & Surplus                                                                           | 964.28          | 614.73    | 428.96    |
| Misc. Expenses not w/off                                                                     | -               | -         | -         |
| Net Worth                                                                                    | 1,020.28        | 670.73    | 484.96    |
| <b>Earnings Per Share:</b>                                                                   |                 |           |           |
| Pre- Bonus                                                                                   | 66.04           | 36.79     | 17.85     |
| Post – Bonus                                                                                 | 6.29            | 3.50      | 1.70      |
| Return on Net Worth (%)                                                                      | 36.24%          | 30.72%    | 20.61%    |
| Net Asset Value Per Share (Rs) - based on actual no. of equity shares at the end of the year | 182.19          | 119.77    | 86.60     |
| Nominal Value per Equity share (Rs.)                                                         | 10.00           | 10.00     | 10.00     |

\*Company has issued 53,20,000 Equity shares of Face Value of Rs. 10 each as bonus shares having Face Value Rs. 10/- each vide shareholders resolution dated August 07, 2020 in the ratio of 19:2. As per AS-20 - Earning Per Share the dilutive effect of bonus shares is given in previous years to calculate Equivalent Weighted Average Number Of Equity Shares for the purpose of dilutive earning per share.

#### Notes to Accounting Ratios:

- The Ratios have been computed as follows:

#### a) Earnings Per Share – Pre Bonus (₹)

Net Profit After Tax as restated

Number of Equity Shares outstanding during the year

#### b) Earnings Per Share – Post Bonus (₹)

Net Profit After Tax as restated

Weighted Average Number of Equity Shares outstanding during the year

#### c) Return on Net worth (%)

$$\frac{\text{Net Profit after Tax as restated}}{\text{Net Worth}} \times 100$$

#### d) Net Asset Value Per Equity Share (₹)

$$\frac{\text{Net Worth}}{\text{No. Of Equity shares outstanding at the end of the year}}$$

- The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS – 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.
- The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.  
The above statements should be read with the Notes to Restated Financial Statements.

## CAPITALIZATION STATEMENT

To,  
**The Board of Directors,**  
**AAA Technologies Limited**  
278-280, F Wing, Solaris I,  
Saki Vihar Road, Opp. L&T Gate No. 6,  
Powai, Andheri (East);  
Mumbai - 400072

### Sub: Proposed Public Issue of AAA Technologies Limited

Dear Sir,

We have prepared the Statement of Capitalization based on the information & documents provided & relied upon for the purpose of inclusion of the same in the Draft Prospectus / Prospectus being issued by you.

### RESTATED STATEMENT OF CAPITALIZATION IS AS UNDER:

(Rs. in lakhs)

| Particulars                                        | Pre-Issue (as at March 31, 2020) | Post Issue      |
|----------------------------------------------------|----------------------------------|-----------------|
| <b>Borrowings</b>                                  |                                  |                 |
| Long term debt (A)                                 | -                                | -               |
| Short Term Debt (B)                                | -                                | -               |
| <b>Total debts (C=A+B)</b>                         | -                                | -               |
|                                                    |                                  |                 |
| <b>Shareholders' funds</b>                         |                                  |                 |
| Equity share capital (D)                           | 56.00*                           | 855.12          |
| Reserve and surplus - as restated (E)              | 964.28*                          | 1,287.06        |
| <b>Total shareholders' funds (F=D+E)</b>           | <b>1,020.28</b>                  | <b>2,142.18</b> |
|                                                    |                                  |                 |
| <b>Long term debt / shareholders funds (A / F)</b> | -                                | -               |
| <b>Total debt / shareholders funds (C / F)</b>     | -                                | -               |

\*The Company has issued Bonus Shares in the ratio of 19:2 to the existing shareholders and also a further Rights Issue in the ratio of 1:25 consequent to which the Equity Share Capital as on date stands at Rs. 611.52 lakhs; Reserves and Surplus at Rs. 507.54 lakhs; with Total Shareholders' funds aggregating to Rs. 1119.06 lakhs

### Note:

The above has been computed on the basis of Restated Financials of the Company.

**For, Vandana V. Dodhia & Co.**  
**Chartered Accountants**  
**Firm Registration No.117812W**

**Vandana V. Dodhia**  
**(Partner)**  
**Membership No. 104000**  
**Place: Mumbai**  
**Date: September 24, 2020**  
**UDIN:20104000AAAABV8639**



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Overview

You should read the following discussion and analysis of our financial condition and results of operations together with our Restated Financial Statements for the Fiscal Year 2019-20, Fiscal Year 2018-19 and Fiscal Year 2017-18 including the notes and significant accounting policies thereto and the report thereon, which appear elsewhere in this Prospectus. You should also read the section '*Risk Factor*' beginning on page 21 and '*Forward Looking Statements*' beginning on page 14 of this Prospectus which discuss number of factors, risks and contingencies that could affect our financial condition and result of operations. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act, and the SEBI ICDR Regulations and restated as described in the report of our auditors dated 10<sup>th</sup> August 2020 which is included in this Prospectus under the section '*Financial Statements*' beginning on page 137 of this Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the difference between India GAAP and US GAAP or IFRS as applied to our restated financial statement.

Accordingly, the degree to which the financial statement in this Prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our Financial Year ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled "*Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Financial Presentation*" beginning on page 12 of this Prospectus

### BUSINESS OVERVIEW

#### OUR STRENGTHS

- Low risk business model
- Experienced promoter and well-established Network
- Asset Light Model
- Diversified services across several industries
- Profitable track record, strong balance sheet and stable cash flows
- Low dependency on Debt and Controlled Overheads

#### COMPETITION:

We are empanelled with CERT-In as IT Security Organization and are one of the few companies empanelled with NICS.

Empanelment with CERT-In helps us bid for contracts and secure audits of Companies who float their tenders. Our ability to secure tenders will depend on our eligibility for technical bids, our track record of completion of audits in past both in terms of time and quality in comparison with other competitors and our ability to bid the lowest in financial bid. Further, there are some other common factors which affect our eligibility criteria to bid for the tenders which are number of employees, tools available for audit, qualification of the employees and directors, location of the Company etc.

Our empanelment with NICS helps us procure direct business from the Companies without going through tender process. Hence, to procure work from Government, statutory bodies etc. our clear competitors. are all the Companies empanelled with NICS and CERT-In.

Apart from CERT-In and NICS we also directly empanelled or was empanelled with Companies / Government bodies/ Statutory Authorities like Reserve Bank of India (RBI), National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Securities and Exchange Board of India (SEBI), Multi Commodity Exchange (MCX), National Highway Authority of India (NHAI), Punjab and National Bank (PNB), State Bank of India (SBI) from where we secure direct business on repeat order basis.

Apart from Government, statutory bodies etc. our Company also faces competition to procure business from private sector companies. Our ability to secure contracts from private companies depends upon our quality, ability to complete, innovation, reputation pricing by other Competitors and our relationship with the clients.

In addition, it is possible that certain established service companies may decide to begin offering services that we currently provide and new players might enter the market, thereby further intensifying the competition. Our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Thus, we face competition from organized and unorganized players in the industry but there is no clear identifiable competitor who are listed.

## **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 21 of this Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

- Changes in laws and regulations that apply to the industry;
- Increasing competition in the industry;
- Company’s inability to successfully implement its growth and expansion plans;
- General economic and business conditions
- Inability to empanel or continue empanelment with CERT-IN and NICSI.
- Pandemic situations like the current spread of Corona virus and the country/city lock-downs

### **OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer Significant Accounting Policies beginning under Chapter titled “*Financial Statements*” beginning on page 143 of this Prospectus.

### **DISCUSSION OF RESULT OF OPERATION**

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the Fiscal Years 2019-20, 2018-19 and 2017-18 as derived from our restated financial statements:

## RESULTS OF OUR OPERATIONS -AS RESTATED

(₹ in lakhs)

| Particulars                           | For the year ended March 31, |                   |                 |                   |                 |                   |
|---------------------------------------|------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
|                                       | 2020                         | % of Total Income | 2019            | % of Total Income | 2018            | % of Total Income |
| <b>REVENUE:</b>                       |                              |                   |                 |                   |                 |                   |
| Revenue from Operations               | 1,415.53                     | 99.35%            | 1,033.91        | 98.70%            | 1,023.45        | 98.41%            |
| Other Income                          | 9.21                         | 0.65%             | 13.58           | 1.30%             | 16.55           | 1.59%             |
| <b>Total revenue</b>                  | <b>1,424.74</b>              | <b>100.00%</b>    | <b>1,047.49</b> | <b>100.00%</b>    | <b>1,040.00</b> | <b>100.00%</b>    |
| <b>EXPENSES:</b>                      |                              |                   |                 |                   |                 |                   |
| Employee benefit expenses             | 441.64                       | 31.00%            | 367.27          | 35.06%            | 271.10          | 26.07%            |
| Finance costs                         | 1.88                         | 0.13%             | 7.82            | 0.75%             | 4.19            | 0.40%             |
| Depreciation                          | 14.26                        | 1.00%             | 13.75           | 1.31%             | 4.77            | 0.46%             |
| Other Expenses                        | 473.39                       | 33.23%            | 372.59          | 35.57%            | 622.31          | 59.84%            |
| <b>Total expenses</b>                 | <b>931.17</b>                | <b>65.36%</b>     | <b>761.43</b>   | <b>72.69%</b>     | <b>902.37</b>   | <b>86.77%</b>     |
| <b>Net Profit / (Loss) before Tax</b> | <b>493.57</b>                | <b>34.64%</b>     | <b>286.06</b>   | <b>27.31%</b>     | <b>137.63</b>   | <b>13.23%</b>     |
| <b>Less: Provision for Tax</b>        |                              |                   |                 |                   |                 |                   |
| Current tax                           | 124.15                       | 8.71%             | 79.90           | 7.63%             | 37.88           | 3.64%             |
| Deferred tax                          | (0.38)                       | (0.03%)           | 0.14            | 0.01%             | (0.22)          | (0.02%)           |
| <b>Total</b>                          | <b>123.77</b>                | <b>8.69%</b>      | <b>80.04</b>    | <b>7.64%</b>      | <b>37.66</b>    | <b>3.62%</b>      |
| <b>Net Profit / (Loss)</b>            | <b>369.80</b>                | <b>25.96%</b>     | <b>206.02</b>   | <b>19.67%</b>     | <b>99.97</b>    | <b>9.61%</b>      |

## **Main Components of our Profit and Loss Account**

### **Income**

Our total income comprises of revenue from core business operations and other income.

#### *Revenue from Operations*

Our revenue from operations consists of revenue from Information Systems Audit, IT Consultancy, IT Governance etc. Our revenue from operations as a percentage of total income was 99.35%, 98.70% and 98.41% for the Fiscal Years 2019-20, 2018-19 and 2017-18 respectively.

#### *Other Income*

Our other income comprises of interest income and sundry balances written off. Other income, as a percentage of total income was 0.65%, 1.30% and 1.59%, for the Fiscal Years 2019-20, 2018-19 and 2017-18 respectively.

### **Expenditure**

Our total expenditure primarily consists of employee benefit expenses, finance costs, depreciation expenses and other expenses.

#### *Employee Benefit Expenses*

Expenses in relation to employees' benefit expenses include salaries and incentives, stipend staff welfare expenses, and Directors remuneration.

#### *Finance costs*

Finance cost primarily consists of interest payable on loans availed by our company from bank & finance charges, if any.

#### *Depreciation Expenses*

Depreciation expenses consist of depreciation on the tangible and intangible assets of our Company which includes computer, office equipment, motor car, furniture and fixtures and office premises and software.

#### *Other Expenses*

Other expenses include professional fees, advertisement, auditor's remuneration, CGST, ICST, rent, repair and maintenance, SGST, travelling expenses, software licensing expenses, certification charges, conveyance expenses, membership and subscription charges, office expenses, printing & stationery, society expenses, travelling expenses etc.

#### *Provision for Tax*

Income tax has been provided on the basis of current income tax rate on taxable income. Advance tax and TDS deducted will be set off against provisions for taxation at the time of finalisation of Income tax assessment proceedings. The deferred tax assets are recognized and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

## **Fiscal 2019-20 compared with Fiscal 2018-19**

#### *Revenue from Operation*

Revenue from operations had increased by 36.91%, from ₹ 1033.91 lakhs in Fiscal 2019 to ₹ 1415.53 lakhs in Fiscal 2020. This increase in sales is mainly due to increase in the Company's scale of operations. Increase in scale of operations was mainly on account of:

1. Increase in revenue from NICS through which the Company has been able to get larger contracts.
2. Expansion of geographical presence by opening an office in Delhi.
3. Increase in digitalization of services due to *Digital India* movement.
4. Increase in awareness of benefits of cyber security.
5. Increase in implementation of IoT and requirement of IT Infrastructure in all industries.

#### *Other Income*

Other income had decreased by 32.18%, from ₹13.58 lakhs in Fiscal 2019 to ₹ 9.21 lakhs in Fiscal 2020 on account of decrease in interest income.

#### *Employee Benefit Expenses*

Employee benefit expenses had been increased by 20.25%, from ₹ 367.27 lakhs in Fiscal 2019 to ₹ 441.64 lakhs in Fiscal 2020 as there was an increase in number of employees due to overall increase in business operations as well as opening of business office in Delhi.

#### *Finance Cost*

Finance Cost had decreased by 75.96% from ₹7.82 lakhs in Fiscal 2019 to ₹ 1.88 lakhs in Fiscal 2020. This is due to Company's ability to reduce interest cost and rely on internal accruals and cash flows.

#### *Depreciation and Amortization Expenses*

Depreciation had increased by 3.71%, from ₹ 13.75 lakhs in Fiscal 2019 to ₹ 14.26 lakhs in Fiscal 2020 due to increase in tangible assets.

#### *Other Expenses*

Other expenses had increased by 27.05% from ₹ 372.59 lakhs in Fiscal 2019 to ₹ 473.39 lakhs in Fiscal 2020. The increase in these expenses was majorly due to increase in professional fees, travelling expenses, IGST, rental costs etc.

#### *Tax Expenses*

The Company's tax expenses had increased by 54.64% from ₹ 80.04 lakhs in the Fiscal 2019 to ₹ 123.77 lakhs in Fiscal 2020. This is primarily due to an increase in profit before tax as compare to last year.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our profit after tax had increased by 79.50%, from ₹ 206.02 lakhs in Fiscal 2019 to ₹ 369.80 lakhs in Fiscal 2020 as a result of reasons stated above in the above para.

### **Fiscal 2019 compared with Fiscal 2018**

#### *Revenue from Operation*

Revenue from operations had increased marginally by 1.02%, from ₹ 1,023.45 lakhs in Fiscal 2018 to ₹ 1,033.91 lakhs in Fiscal 2019. This increase in revenue is mainly due to increase in the Company's scale of operations.

#### *Other Income*

Other income had decreased by 17.95%, from ₹16.55 lakhs in Fiscal 2018 to ₹ 13.58 lakhs in Fiscal 2019. Decrease is attributable to increase in interest on fixed deposits from ₹1.67 lakhs in Fiscal 2018 to ₹12.04 lakhs in Fiscal 2019 and larger decline in interest on income tax refund from ₹14.88 lakhs in Fiscal 2018 to ₹1.43 lakhs Fiscal 2019.

### *Employee Benefit Expenses*

Employee benefit expenses had increased by 35.47%, from ₹ 271.10 lakhs in Fiscal 2018 to ₹ 367.27 lakhs in Fiscal 2019. Increase in employee benefit expenses is mainly on account of increase in salary and incentives to employees from ₹ 137.04 Lakhs in Fiscal 2018 to ₹ 203.49 in Fiscal 2019 as the Company has appointed new employees leading to increase in number of permanent employees. Further, there was an increase in Director's remuneration from ₹ 134.00 Lakhs in Fiscal 2018 to ₹ 163.50 Lakhs in Fiscal 2019.

### *Finance Cost*

Finance Cost has increased by 86.63% from ₹ 4.19 lakhs in Fiscal 2018 to ₹ 7.82 lakhs in Fiscal 2019. This is primarily on account of increase in interest cost due to increase in working capital requirements.

### *Depreciation and Amortization Expenses*

Depreciation expenses had increased by 188.26% from ₹4.77 lakhs in Fiscal 2018 to ₹13.75 lakhs in Fiscal 2019 on account of purchase of fixed assets like office premises, office equipment and computer.

### *Other Expenses*

Our Other expenses comprises of professional fees, conveyance expenses, travelling expenses, printing and stationery, tender expenses, software licensing expenses etc. which had decreased by 40.13%, from ₹ 622.31 lakhs in Fiscal 2018 to ₹ 372.59 lakhs in Fiscal 2019. This decrease is mainly attributable to decrease in professional fees from ₹ 416.95 Lakhs in Fiscal 2018 to ₹ 176.88 Lakhs in Fiscal 2019 amongst other factors etc.

### *Tax Expenses*

Our total tax expenses had increased by 112.53%, from ₹ 37.66 lakhs in Fiscal 2018 to ₹ 80.04 lakhs in Fiscal 2019. This is primarily due to an increase in profit before tax as compared to last year.

### *Profit after Tax*

After accounting for taxes at applicable rates, our profit after tax had increased by 106.08%, from ₹99.97 lakhs in Fiscal 2018 to ₹ 206.20 lakhs in Fiscal 2019 on account of reasons in above para.

## **CASH FLOWS**

The table below sets forth our net cash flows with respect to operating activities, investing activities and financing activities for the periods indicated

(₹ in lakhs)

| Particulars                               | Year ended March 31, |         |         |
|-------------------------------------------|----------------------|---------|---------|
|                                           | 2020                 | 2019    | 2018    |
| Net Cash (used)/from Operating Activities | 117.13               | 94.18   | 95.24   |
| Net Cash (used)/from Investing Activities | -                    | (52.40) | (8.32)  |
| Net Cash (used)/from Financing Activities | (76.49)              | (7.84)  | (45.10) |

### **Cash Flows from Operating Activities**

Net cash flow from operating activities for the Fiscal 2020 was ₹ 117.13 lakhs as compared to the PBT of ₹493.57 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, short term loans & advances, other current assets and short-term provisions.

Net cash flow from operating activities for the Fiscal 2019 was ₹ 94.18 lakhs as compared to the PBT of ₹286.06 lakhs for the same period. The difference was primarily on account of adjustment in depreciation & amortization, Interest income& Finance Charges, Trade Receivable, short term loans & advances and short-term provisions.

Net cash flow from operating activities for the Fiscal 2018 was ₹ 95.24 lakhs as compared to the PBT of ₹137.63 lakhs for the same period. The difference was primarily on account of adjustment in depreciation, direct taxes paid, increase in trade receivables, short term loans & advances other current assets and short term and provisions.

### **Cash Flows from Investment Activities**

In the Fiscal 2020, the net cash used for Investing Activities was Nil. Investment activities comprised of purchase of fixed assets and interest income.

In the Fiscal 2019, the net cash used for Investing Activities was ₹ (52.40) lakhs this was on account of Asset purchases of ₹ 65.88 lakhs reduced by interest received on fixed deposits.

In the Fiscal 2018, the net cash released from Investing Activities was ₹ (8.32) lakhs. this was on account of Asset purchases of ₹ 24.87 reduced by interest received on fixed deposits.

### **Cash Flows from Financing Activities**

Net cash inflow from financing activities in fiscal 2020 was ₹ (76.49) lakhs. This was majorly on account of proceeds from long term borrowings, payment of interest, payment of dividend with dividend distribution tax.

Net cash inflow from financing activities in fiscal 2019 was ₹ (7.84) lakhs. This was majorly on account of interest paid, dividend paid and proceeds from short term borrowings.

Net cash outflow from financing activities in fiscal 2018 was ₹ (45.10) lakhs. This was majorly on account of payment of repayment of short-term borrowings, interest paid and dividend paid.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

There have been no unusual or infrequent events or transactions that have taken place during the last three years to the best of our knowledge.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the section titled “*Significant Factors Affecting Our Results Of Operations*” under chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, and the risks described in the section entitled “*Risk Factors*” beginning on page 160 and 21 of this Prospectus respectively, to our knowledge, there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page 21 and 159 of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page 21 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between cost and income or which are expected to have a material adverse impact on our operations and finances.

### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increase in volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which our Company operates.**

Our Company is engaged in Information Technology Audit industry. The business comprises of Information Systems Audit, IT Consultancy, IT Governance. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 78 of this Prospectus.

**7. Status of any publicly announced new products or business segments**

Our Company has not announced any new products or entered in any business segments. For details of existing business please refer to the chapter titled “*Our Business*” beginning on page 90 of this Prospectus.

**8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

The revenues from our top 10 Client/Industry verticals constituted approximately 83.22% for fiscal 2020. For further details, please refer chapter “*Our Business*” beginning on page no. 90 of this Prospectus.

**10. Competitive Conditions.**

For details of competitive conditions refer para Competition in chapter “*Our Business*” beginning on page 104 and chapter ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operations*’ on page 159 of this Prospectus



## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

(₹ in lakhs)

| Nature of Borrowing  | Amount |
|----------------------|--------|
| Secured Borrowings   | -      |
| Unsecured Borrowings | -      |
| <b>Total*</b>        | -      |

\*The Company has no outstanding Secured and Unsecured Borrowings in the Company as at March 31, 2020.

### A. Details of Secured Loans

| Name of Lender                        | Type of Loan   | Date of Sanction                 | Amount Sanctioned (₹. in Lakhs) | Interest / Commission (% p.a.) | Security   |
|---------------------------------------|----------------|----------------------------------|---------------------------------|--------------------------------|------------|
| Kotak Mahindra Bank<br>(KMBL or Bank) | Cash Credit    | November 26, 2013 <sup>(1)</sup> | 80.00                           | RPRR <sup>(2)</sup> + 5.75%    | Note 1 & 3 |
|                                       | Bank Guarantee |                                  | 200.00                          | Commission @ 1%                | Note 2 & 3 |

<sup>(1)</sup>Original Sanction Letter dated November 26, 2013 for Rs. 250 Lakhs (Rs. 80 Lakhs Cash Credit, Rs. 170 Lakhs Bank Guarantee) from ING Vysya Bank Limited. Subsequently, the limit was enhanced vide letter dated February 19, 2015 was Rs. 280 Lakhs (Rs. 80 Lakhs Cash Credit, Rs. 200 Lakhs Bank Guarantee). On merger of ING Vysya Bank Limited with Kotak Mahindra, the limit was automatically transferred to Kotak Mahindra Bank. The limit has been renewed and the last renewal done vide letter dated December 12, 2019 and addendum dated January 9, 2020

<sup>(2)</sup>Current applicable RPRR is 5.15%.

#### Note 1:

##### Primary Security

Hypothecation of Stock and Book Debts. (Book Debts up to 90 days only to considered)

#### Note 2:

##### Primary Security

BGs issued for supply of goods – Hypothecation of goods received under the guarantee.

Counter guarantee of the Borrower. Claim period for guarantee is 60 months.

#### Note 3:

##### Collateral Security for Cash Credit and Bank Guarantee

Commercial premises at 278-280 F Wing, Solaris – I, Saki Vihar Road, Opp. L&T Gate No. 6 Powai, Andheri East, Mumbai - 400072

#### Guarantor Details

##### Personal Guarantees by

- Mr. Anjay Agarwal;
- Mrs. Ruchi Agarwal;
- Mr. Venugopal Dhoot and
- Mrs. Shobha Dhoot

## RESTRICTIVE / NEGATIVE COVENANTS

The above loan agreements include various restrictive covenants in relation to certain actions to be undertaken by our Company and for which prior written approval of the Bank is required. The major restrictive covenants (which require prior approval) are mentioned below:

- (1) The Company has to undertake that bank will be kept informed of the happenings – any event likely to have a substantial effect on their production, sales, profits etc. and such changes in the Senior Management, Labour problems, godown / warehouse location, power cut, cases filed against the Company, happenings in the associate concern etc. along with the remedial measures proposed and also provide the details of any addition / deletion of associate / sister concerns.
- (2) The Company shall undertake that the unsecured loans and advances availed from friends / relatives / directors shall not be repaid during the currency of the Banks exposure. Wherever possible, an undertaking letter to be furnished to the Bank, from such creditors to the effect that repayment of the unsecured loan will not be demanded during the currency of Bank's exposure. The rate of interest paid on such loans shall be preferably be lesser than the interest rate charged by the Bank.
- (3) The Company shall undertake that it shall not do the following during the currency of Bank loan, unless granted prior written approval from KMB:
  - Make any change to its Management / Board, or permit any transfer of controlling interest or Formulate any scheme of amalgamation or merger or reconstruction.
  - Raise any term loans / debentures, incur major capital expenditure or make any investments either directly or through its subsidiaries during the currency of the loan
  - Invest / lend / extend advances to the Group or subsidiary companies
  - Extend Corporate / Financial / Performance Guarantees on behalf of its subsidiaries or Group concerns or third parties
  - Make any payments to the declaration to the redemption of its Preference Shares Capital, if it fails to meet its obligations to bank under any facility extended to bank so long as it is in such default
  - Undertake any new expansion / modernization, diversification scheme
  - Declare any dividend on its share Capital, if it fails to meet its obligations to bank under any facility extended to KMB, so long as it is in such default.
  - Create any charge, lien or encumbrance over its assets or any part thereof in favour of any financial institution, bank, company, firm or persons
  - Sell, assign, mortgage or otherwise dispose off any of its assets or any part thereof
  - Enter into any contractual obligations of a long-term nature affecting the Company financially to a significant extent

Happenings of any of these things without prior approval of the bank will be deemed an Event of Default.
- (4) Sole banking with Kotak Mahindra Bank Limited.
  - TBC of Rs. 5.1 Crores to be maintained during tenor of limit with Bank.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

**Except as stated in this section, there are no:**

A. (i) criminal proceedings; (ii) outstanding actions taken by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving the Company, Directors and Promoters. The Board, in its meeting held on 10<sup>th</sup> August, 2020 determined that all litigations pertaining to the company, its directors/promoters which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further, the Board considers all other litigation pertaining to the company, its directors/promoters which are above a claim amount equal to or exceeding 1% of the turnover for the Fiscal Year 2019-20 as material (“**Material Litigation**”).

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against the Promoters during the last three years; (ii) pending proceedings initiated against the Company for economic offences; (iv) default and non-payment of statutory dues by the Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years against the Company; or (vi) material frauds committed against the Company in the last three years.

There have been no creditors in the Company during previous three years therefore, there is no materiality policy defined by the Board of Directors for dues owed by our Company to the small-scale undertakings and other creditors as required by SEBI (ICDR).

The Company, Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

**All terms defined in a particular litigation are for that particular litigation only.**

### CONTINGENT LIABILITIES OF THE COMPANY

The Company has the following Contingent Liabilities for which no provision has been made in the books of accounts.

| Particulars                                                 | (₹ In Lakhs)                |               |               |
|-------------------------------------------------------------|-----------------------------|---------------|---------------|
|                                                             | For the year ended March 31 |               |               |
|                                                             | 2020                        | 2019          | 2018          |
| <b>Claims against the Company not acknowledged as debts</b> |                             |               |               |
| Bank Guarantee                                              | 203.75                      | 181.65        | 200.54        |
| <b>Total</b>                                                | <b>203.75</b>               | <b>181.65</b> | <b>200.54</b> |

#### I. LITIGATIONS INVOLVING THE COMPANY

##### A. CASES FILED AGAINST THE COMPANY

###### i. Civil Cases

Nil

###### ii. Criminal Cases

Nil

###### iii. Labour Cases

Nil

###### iv. Any Other Cases

Nil

## **B. REVENUE PROCEEDINGS AGAINST THE COMPANY**

### **I. Direct Tax proceedings against the Company**

- i. AY – 2014-15:  
The CIT-2, Mumbai has filed an Income Tax Appeal No. ITXA (L) 2826 of 2019 of 2019 before the Bombay High Court challenging the order passed by the Income Tax Appellate Tribunal (ITAT) dated July 29, 2019 dismissing the appeal of the revenue. The matter pertains to disputed claim of ₹ 2.97 Crores pertaining to the professional fees being paid by our Company to foreign parties. The matter shall come up for admission in due course.
- ii. AY – 2012-13:  
The CIT-2, Mumbai has filed an Income Tax Appeal No. ITXA (L) 2408 of 2019 before the Bombay High Court challenging the order passed by the Income Tax Appellate Tribunal (ITAT) dated May 17, 2019 dismissing the appeal of the revenue. The matter pertains to disputed claim of ₹ 3.17 Crores pertaining to the professional fees being paid by our Company to foreign parties. The matter shall come up for admission in due course.
- iii. AY – 2009-10:  
The CIT-2, Mumbai has filed an Income Tax Appeal No. ITXA (L) 2490 of 2019 before the Bombay High Court challenging the order passed by the Income Tax Appellate Tribunal (ITAT) dated May 17, 2019 dismissing the appeal of the revenue. The matter pertains to disputed claim of ₹ 1.25 Crores pertaining to the professional fees being paid by our Company to foreign parties. The matter shall come up for admission in due course.

### **II. Indirect Tax proceedings against the Company**

Nil

## **C. PROCEEDINGS INITIATED AGAINST THE COMPANY BY REGULATORY AND STATUTORY AUTHORITIES**

Nil

## **D. CASES FILED BY THE COMPANY**

### **I. Civil cases**

- i. Our Company has filed a Petition No. 308 of 2018 before the Micro & small Enterprises Facilitation Council, Mumbai Region against Sangli Miraj Kupwad Municipal Corporation (SMKC) requesting the Divisional Commissioner to act an Arbitrator & Conciliator. THE SMKC had entered into a contract with our Company for technical and security audit of its e-governance project being implemented on BOOT model of the SMKC. Our Company has filed this claim for non-receipt and delay in payment including return of the security deposit aggregating an amount of ₹74.29 Lakhs, including interest. The matter shall come up for hearing in due course.
- ii. Our Company has a Special Civil Suit No. 84 of 2018 before the Civil Judge, Senior Division, Kolhapur, at Kolhapur against the Kolhapur Municipal Corporation (KMC) for an amount of ` 40.00 Lakhs payable as compensation / damages for breach of contract. The KMC cancelled the tender after execution of the contract in favour of our Company. The matter shall come up for hearing in due course.

### **II. Criminal cases**

Nil

### **III. Labour cases**

Nil

#### **IV. Any Other cases**

Nil

#### **E. REVENUE PROCEEDINGS BY THE COMPANY**

##### **i. Direct Tax proceedings by the Company**

Nil

##### **ii. Indirect Tax proceedings by the Company**

Nil

#### **II. CASES FILED BY AND AGAINST THE PROMOTERS OF THE COMPANY**

##### **i. Civil Cases by and against the Promoters**

Nil

##### **ii. Criminal Proceedings by and against the Promoters**

Nil

##### **iii. Any other cases filed by and against the Promoters**

Nil

##### **iv. Revenue Proceedings against the Promoters**

Nil

#### **III. CASES FILED BY AND AGAINST THE DIRECTORS**

##### **i. Civil Cases by and against the Directors**

Nil

##### **ii. Criminal Proceedings by and against the Directors**

Nil

##### **iii. Any other cases filed by and against the Directors**

Nil

##### **iv. Revenue Proceedings against the Directors**

Nil

##### **v. Show Cause Notices By Sebi; Sebi Orders And Directions Against Company, Promoters And Directors**

SEBI conducted an investigation in the scrip of DCB Bank Limited (the "DCB") for insider trading for the period from September 19, 2015 to October 13, 2015 (the "Investigation Period") and accordingly, SEBI issued show cause notice (the "SCN") dated September 3, 2020 against our Independent Director, Mr. Rajesh Chandra Verma under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of Securities and Exchange Board of India Act, 1992 (the "SEBI Act") in respect of violation of regulation

4(1) SEBI (PIT) Regulations, 2015 (the "SEBI PIT Regulations"), 6(1) SEBI PIT Regulations, 12A(d) of SEBI Act, 12A(e) of SEBI Act, 15G(i) of SEBI Act, 15HB of SEBI Act in relation to trading executed by Mr. Rajesh Chandra Verma in the scrip of DCB during the Investigation Period, while holding unpublished price sensitive information (the "UPSI") in the capacity of 'designated person' as per code of conduct of DCB by virtue of his position at DCB as 'Head - Treasury and Correspondent Banking Department'. Further, it also has been alleged that, Mr. Rajesh Chandra Verma has violated the clause 6 of 'Minimum Standard for Code of Conduct to Regulate, Monitor and Report Trading by Insiders' as specified in schedule B read with Regulation 9(1) of SEBI PIT Regulations. Further, it has also been alleged that, Mr. Rajesh Chandra Verma averted unlawful loss of Rs. 34,25,077/- from the aforementioned trading executed by him in the scrip of DCB Bank. SCN has directed Mr. Rajesh Chandra Verma to show cause as to why appropriate directions under 11(1), 11(4), 11(4A), 11B(1), 11B(2) and 15G(i) of SEBI, 1992 should not be initiated against him for the loss averted by him for his trades executed in the scrip of DCB, including disgorgement of Rs. 34,25,077/-. However, Mr. Rajesh Chandra Verma is in process submitting his reply to SEBI in respect of SCN.

**IV. ANY OTHER NOTICES ISSUED BY AND AGAINST THE COMPANY, PROMOTERS AND DIRECTORS**

Nil

**V. MATTERS BEFORE THE NATIONAL COMPANY LAW TRIBUNAL / COMPANY LAW BOARD IN RELATION TO COMPANY**

Nil

**VI. RoC COMPOUNDING AND RBI MATTERS IN RELATION TO COMPANY**

Nil

**VII. PAST CASES WHERE PENALTIES IMPOSED UPON THE COMPANY**

Nil

**VIII. OUTSTANDING DUES OF SMALL-SCALE UNDERTAKINGS AND OTHER CREDITORS BY THE COMPANY**

Nil

**IX. MATERIAL DEVELOPMENTS**

Nil

**Outstanding Dues to Creditors of Our Company**

There have been no creditors in the Company during previous three years. Therefore, there is no materiality policy defined by the Board of Directors for dues owed by our Company to the small-scale undertakings and other creditors as required by SEBI ICDR Regulations.

**Material developments occurring after last balance sheet date**

Except as mentioned under the section "*Management's Discussion and Analysis of Financial Conditions and Result of Operations*" on page 159 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OTHER MATERIAL INFORMATION**

**I. Material frauds committed against our Company**

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Prospectus.

**II. Past cases where penalties imposed**

There are no past cases in the five (5) years preceding the date of this Prospectus except as stated herein above, where penalties were imposed on our Company by concerned authorities.

**III. Past inquiries, inspections and investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five (5) years immediately preceding the year of issue of the Prospectus in the case of our Company.

**IV. Fines imposed or compounding of offences**

There have been no prosecutions filed against Company (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Prospectus except as stated herein above.

**V. Proceedings initiated against our Company for economic offences**

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Prospectus.

**VI. Defaults and non-payment of statutory dues**

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest) except as stated herein above.

**VII. Outstanding litigation involving our Company, Directors or any other person whose outcome could have a material adverse effect on our Company**

Except as disclosed above, there is no outstanding litigation involving our Company, Directors, Promoters or any other person whose outcome could have a material adverse effect on our Company.

**VIII. Disciplinary action taken by SEBI or stock exchanges against our Company**

There are no disciplinary actions taken by SEBI or stock exchanges against our Company or its Directors or its Promoters; except for a Show cause Notice issued on 3<sup>rd</sup> September, 2020 by SEBI to Mr. Rajesh Kumar Verma, Independent Director, details of which may be referred to under Chapter titled *Outstanding Litigations and Material Development*.

## GOVERNMENT AND OTHER KEY APPROVALS

*The Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue the business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

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

### I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on 6<sup>th</sup> August, 2020 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the annual general meeting held on 7<sup>th</sup> August, 2020 authorized the Issue.
3. In-principle approval dated September 22, 2020 from the SME Platform of the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is INE0D0U01013.

### II. COMPANY RELATED APPROVALS

1. Certificate of Incorporation dated October 03, 2000 issued by the Registrar of Companies, Maharashtra, Mumbai in the name of "AAA Technologies Private Limited".
2. Certificate of Incorporation dated 3<sup>rd</sup> August, 2020 issued by the Registrar of Companies, Maharashtra, Mumbai consequent upon conversion to Public Limited Company evidencing the change of name of Company from "AAA Technologies Private Limited" to "AAA Technologies Limited".
3. The Corporate Identification Number (CIN) of our Company is U72100MH2000PLC128949.

### III. BUSINESS RELATED EMPANELMENTS AND REGISTRATIONS

| Sr. No. | Authority                                                                                                         | Registration Number/Code                                                     | Validity                                                                                                                                                                                                                             |
|---------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Indian Computer Emergency Response Team (CERT-In)                                                                 | Letter dated December 22, 2016 and Email dated April 23, 2020                | October 31, 2020                                                                                                                                                                                                                     |
| 2.      | National Informatics Centre Services Inc. (NICS)                                                                  | Letter dated December 20, 2018.                                              | The empanelment can also be used by NIC. It is valid for 3 years in the first instance from the empanelment. It may be extended for another 2 years depending upon the need of NIC /NICS's project requirements with mutual consent. |
| 3.      | Bank of Maharashtra                                                                                               | Letter No. AXI/ISNP/IS AUDIT FIRMS/EMPANELMENT/10/2019 dated October 4, 2019 | October 3, 2021                                                                                                                                                                                                                      |
| 4.      | Canara Bank                                                                                                       | DIT-826/AP&M-83/EOI-01/18                                                    | April 10, 2021                                                                                                                                                                                                                       |
| 5.      | Canara Bank Regional Rural Banks Project Office in Canara Bank RRB's (Karnataka Gramin Bank & Kerala Gramin Bank) | PMO:278:2019-20                                                              | April 10, 2021                                                                                                                                                                                                                       |



|     |                                                |                                          |                    |
|-----|------------------------------------------------|------------------------------------------|--------------------|
| 6.  | Office of Controller of Certifying Authorities | 11(6)/2018-CCA/106807-815                | June 30,2022       |
| 7.  | Corporation Bank                               | IAD:ISAC:EMP:0142:2017-18                | November 28, 2020. |
| 8.  | Federal Bank                                   | 2/2018/FBL/IT                            | March 31, 2021     |
| 9.  | State Bank of India                            | Service Level Agreement dated 13.08.2018 | June 23, 2023      |
| 10. | Life Insurance Corporation                     | CO-IT/BPR/CSD/2017-2018/2                | 5 Years            |
| 11. | State Bank of India                            | Mail dated August 20, 2020               | March 31, 2023     |

#### IV. BUSINESS RELATED APPROVALS

| Sr. No. | Authority                                                                                                                      | Registration Number/Code | Validity       |
|---------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|
| 1.      | Ministry of Micro, Small & Medium Enterprises                                                                                  | UAN: MH18E0008441        | -              |
| 2.      | The National Small Industries Corporation Limited for Government Purchase Enlistment Certificate and Store Details Certificate | NSIC/GP/AND/2017/0030634 | March 04, 2022 |
| 3.      | Government of Maharashtra                                                                                                      | Department of Sales Tax  | 99421740843P   |

#### V. LABOUR RELATED APPROVALS

| Description               | Authority               | Registration Number/Code |
|---------------------------|-------------------------|--------------------------|
| Government of Maharashtra | Department of Sales Tax | 27925226093P             |

#### VI. TAX RELATED APPROVALS

| Description                                                               | Authority             | Registration Number |
|---------------------------------------------------------------------------|-----------------------|---------------------|
| Permanent Account Number                                                  | Income-tax Department | AADCA8858Q          |
| Tax Deduction Account Number (TAN)                                        | Income-tax Department | MUMA18830A          |
| Registration Certificate under From GST REG-06 for Goods and Services Tax | Government of India   | 27AADCA8858Q1ZS     |

#### VII. TRADEMARK

| Sr. No. | Particulars of the mark                                                             | Word / Label Mark | Applicant                        | Trademark /Application Number | Issuing Authority            | Certificate Detail                                                                 | Class | Period of Validity                                                                                       |
|---------|-------------------------------------------------------------------------------------|-------------------|----------------------------------|-------------------------------|------------------------------|------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------|
| 1       | AAA Technologies                                                                    | Word              | AAA Technologies Private Limited | 1262628                       | Trade Marks Registry, Mumbai | Certificate bearing No. 649217 dated January 22, 2004 issued on July 20, 2007      | 38    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119616 dated March 13, 2014 |
| 2       |  | Label Mark        | AAA Technologies Private Limited | 1262629                       | Trade Marks Registry, Mumbai | Certificate bearing No. 561854 dated January 22, 2004 issued on September 27, 2006 | 35    | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119184                      |

|   |                                                                                    |            |                                  |         |                              |                                                                                    |    |                                                                                                          |
|---|------------------------------------------------------------------------------------|------------|----------------------------------|---------|------------------------------|------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------------------------|
|   |                                                                                    |            |                                  |         |                              |                                                                                    |    | dated March 11, 2014                                                                                     |
| 3 | AAA Technologies                                                                   | Word       | AAA Technologies Private Limited | 1262630 | Trade Marks Registry, Mumbai | Certificate bearing No. 561850 dated January 22, 2004 issued on September 27, 2006 | 35 | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119377 dated March 12, 2014 |
| 4 | AAA Technologies                                                                   | Word       | AAA Technologies Private Limited | 1262631 | Trade Marks Registry, Mumbai | Certificate bearing No. 547910 dated January 22, 2004 issued on August 21, 2006    | 42 | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119185 dated March 11, 2014 |
| 5 |  | Label Mark | AAA Technologies Private Limited | 1262632 | Trade Marks Registry, Mumbai | Certificate bearing No. 562035 dated January 22, 2004 issued on September 27, 2006 | 42 | Renewed for a period of 10 years from January 22, 2014 vide its letter # RLC/119617 dated March 13, 2014 |

#### VIII. ISO CERTIFICATIONS

| Sr. No. | Particulars           | Issuing Authority          | Valid Till      |
|---------|-----------------------|----------------------------|-----------------|
| 1.      | ISO 9001:2015         | Pyramid Certifications LLP | August 25, 2023 |
| 2.      | ISO / IEC 27001: 2013 | Pyramid Certifications LLP | March 15, 2021  |

#### IX. MATERIAL APPROVALS PENDING IN RELATION TO OUR COMPANY FOR WHICH APPLICATIONS HAVE BEEN MADE OR ARE YET TO BE MADE:

Nil

#### X. MATERIAL APPROVALS EXPIRED AND RENEWAL YET TO BE APPLIED FOR

Nil

#### XI. MATERIAL APPROVALS REQUIRED BUT NOT OBTAINED OR APPLIED FOR

Nil

## SECTION IX -OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated 6<sup>th</sup> August, 2020, and our Shareholders have approved the Issue pursuant to a resolution passed at the AGM held on 7<sup>th</sup> August, 2020 under Section 62(1)(c) of the Companies Act, 2013.

### In-principle Listing Approvals

Our Company has received in-principle approval from the SME Platform of National Stock Exchange of India Limited vide letter dated September 22, 2020.

### Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, Promoter, Promoter Group, Directors, the persons in control of our Company and the persons in control of our Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter, Directors or persons in control of our Company are or were as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are in any manner associated with the securities market and there is or has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoter or directors in the past five years.

Our Company, Promoter or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Under the Companies (Significant Beneficial Ownership) Rules, 2018 (“**SBO Rules**”) certain persons who are ‘significant beneficial owners’, are required to intimate their beneficial holdings to our Company in Form no. BEN-1. Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“**SBO Rules**”), to the extent applicable, as on the date of this Prospectus.

Further, in view of the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India (“**MCA**”), our Company, our Promoter and our Promoter Group will ensure compliance with the SBO Rules, upon notification of the relevant forms, as may be applicable to them.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI ICDR Regulations, as the post issue face value capital is less than or equal to ₹1,000 Lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

We confirm that:

- a) In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue will be 100% underwritten and shall not restrict to the minimum subscription level. The Lead Manager shall underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 45 of this Prospectus.

- b) Further, in accordance with Regulation 268 (1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working 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 eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- c) We shall file this Prospectus with Stock Exchange and pursuant to sub regulation (5) of regulation 246; the copy of Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI shall not issue any observation on this Prospectus in terms of Regulation 246(2) of SEBI ICDR Regulations.
- d) As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:
- Our Company was incorporated on 3<sup>rd</sup> October, 2000 as a Private Limited Company, with the Registrar of Companies, Maharashtra, Mumbai under the Companies Act, 1956, and was later converted into a Public Limited Company vide Certificate of Incorporation issued on 3<sup>rd</sup> August, 2000 by the Registrar of Companies, Maharashtra, Mumbai
  - The Post-Issue paid up capital of the Company (face value) shall not be more than ₹1,000 Lakhs. The post Issue capital of our Company is ₹855.12 Lakhs
  - Our Company has a track record of at least three years as on date of filing of this Prospectus.
  - Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR)
  - No Petition for winding up is admitted by a Court of competent jurisdiction against our Company.
  - No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against our Company
  - There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past one year in respect of promoters of our Company.
  - There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.
  - Our Company has a website: [www.aaatechnologies.co.in](http://www.aaatechnologies.co.in)

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.

As per Regulation 230(1) of the SEBI ICDR Regulations, our Company has ensured that:

The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.

## **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER, CHARTERED FINANCE MANAGEMENT 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 ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER, CHARTERED FINANCE MANAGEMENT LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, CHARTERED FINANCE MANAGEMENT LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, CHARTERED FINANCE MANAGEMENT LIMITED, ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies, Mumbai in terms of Section 26 and Section 30 of the Companies Act, 2013.

### **Disclaimer clauses from our Company and the Lead Manager**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.aaatechnologies.co.in](http://www.aaatechnologies.co.in) would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Lead Manager and our Company dated 18<sup>th</sup> August, 2020 and addendum dated September 24, 2020, the Underwriting Agreement entered between Underwriter and our Company dated September 24, 2020 and the Market Maker Agreement entered between Market Maker and our Company dated September 24, 2020

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

Our Company is not liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, or our affiliates or associates or third parties, for which they have received, and may in the future receive compensation.

## **Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any 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 Equity Shares of our Company.

## **Disclaimer with respect to jurisdiction**

The Issue is being made in India to persons resident in India including Indian nationals resident in India who are competent to contract within the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts registered under applicable trust law and who are authorised under their respective constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 million and pension funds with minimum corpus of ₹ 2,500 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, Gol, systemically important non-banking financial companies and permitted Non-Residents including FPIs, and Eligible NRI Bidders, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby 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.

## **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue will be NSE Emerge.

## **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

## **Filing**

The Prospectus is being filed with NSE Emerge,

Pursuant to Regulation 246(5) of SEBI ICDR Regulations, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI ICDR Regulations. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

### **Disclaimer Clause of NSE**

As required, a copy of this Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). The disclaimer clause as intimated by NSE to us, post scrutiny of this Prospectus, shall be included in the Prospectus prior to RoC filing.

### **Listing**

Application have been made to EMERGE Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its EMERGE Platform of NSE after the allotment in the Issue. EMERGE Platform of NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained an In- principle approval from National Stock Exchange of India vide letter dated September 22, 2020 to use the name of NSE Emerge in this Offer document for listing of equity shares on SME Platform of NSE

### **Consents**

Consents in writing of our Promoter, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Lead Manager, Statutory Auditor, Peer Review Auditor, Legal Advisor to the Issue, Bankers to our Company, Banker to the Issue, Market Maker, Underwriter to act in their respective capacities and the Registrar, Syndicate Members\*, Escrow Collection Bank\*, Refund Bank\*, have been obtained as required under the Sections 26 of Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s Vandana V Dodhia & Co, Chartered Accountants, have provided their written consent to the inclusion of their reports dated 10<sup>th</sup> August, 2020 on Restated Financial Statements and to the inclusion of their report dated 10<sup>th</sup> August, 2020 on the Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

### **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, M/S. Vandana V Dodhia & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated 10<sup>th</sup> August, 2020 and the Statement of Tax Benefits dated 10<sup>th</sup> August, 2020, issued by them and included in this Prospectus, as "Expert" as defined under section 2(38) of the Companies Act, 2013 and such consent has 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.

## **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

### **Previous Public and Rights Issues**

We have not made any public issues in the past, and we are an “Unlisted Company” 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 Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 55 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the 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 the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

We do not have any subsidiary as on date of this Prospectus

## **PERFORMANCE VIS-À-VIS OBJECTS**

### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

### **Listed Subsidiaries / Promoters**

None of our Subsidiaries / Promoters is listed on any Stock Exchange and not made any rights and public issues in the past five (5) years.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

### **Price Information of past issues handled by the Lead Manager**

Chartered Finance Management Limited has not done any issue in the past.

### **Summary Statement of Disclosure**

### **Track record of past issues handled by the Lead Manager**

N. A.

## **DISPOSAL OF INVESTOR GRIEVANCES**

### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

The Company has appointed Link Intime India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business 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.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES

Our Board by a resolution on August 10, 2020 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

| Name of the Member    | Nature of Directorship | Designation in Committee |
|-----------------------|------------------------|--------------------------|
| Mr. Rajesh Verma      | Independent Director   | Chairman                 |
| Mr. Naveen Srivastava | Independent Director   | Member                   |
| Mr. Nabankur Sen      | Independent Director   | Member                   |

For further details, please see the chapter titled “Our Management” beginning on page 114 of this Prospectus.

Our Company has also appointed Mr. Sagar as the Compliance Officer for the Issue and he may be contacted at the Registered Office of our Company

**Mr. Sagar Shah**

**Address :** 278-280, F Wing, Solaris I, Saki Vihar Road

Opp. L&T Gate No. 6, Powai, Andheri East

Mumbai – 400072

Maharashtra, India

**Tel No.:** +91 22 28573815/16

**Email:** cs@aaatechnologies.co.in

**Website:** www.aaatechnologies.co.in

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

**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.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

**DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT**

For details of Investor Grievances by Listed Companies under the same Management, see the chapter “Our Group Companies” beginning on page 134 of this Prospectus.

## SECTION X - ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issue are subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, SEBI LODR Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus, any addendum/corrigendum thereto, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), the Allotment Advice 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 Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchange, the RBI, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by such authorities while granting its approval for the Issue.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations read with the SEBI Circular No. CIR/CFD/POLICY/CELL/11/2015 dated November, 2015, all the Applicants have to compulsorily apply through the ASBA process. Further vide the circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application Forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI-ID in the Application Form which is linked from bank account of the Applicant.

#### Authority for the Present Issue

This Issue has been authorized by a resolution of our Board passed at their meeting held on 6<sup>th</sup> August, 2020 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 AGM of our Company held on 7<sup>th</sup> August, 2020.

#### Ranking of the Equity Shares

The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI LODR Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon allotment of Equity Shares under the Issue, will be entitled to receive dividend, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the chapter titled "Provisions of the Articles of Association" beginning on page 228 of this Prospectus.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act, our Articles of Association, the SEBI LODR Regulations, and provisions of the Equity Listing Agreement to be entered into with NSE and other applicable law. The declaration and payment of dividends will be recommended by our Board of Directors and be approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. In respect of the Issue, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Applicants who have been issued and allotted Equity Shares in the Issue for the entire year in accordance with the SEBI ICDR Regulations. For further details in relation to dividends, please refer to chapters titled "Dividend Policy" and "Provisions of the Articles of Association" beginning on pages 136 and 228 respectively of this Prospectus.

## Face Value and the Issue Price

The face value of each Equity Share is ₹10 each and the Issue Price is ₹42 per Equity Share which is 4.2 times the face value of the Equity Share

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Chapter titled “Basis of Issue Price” beginning on page 72 of this Prospectus. At any given point of time there shall be only one denomination of Equity Shares.

## Compliance with disclosure and accounting norms

Our Company shall comply with applicable disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting rights, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or ‘e-voting’ in accordance with the provisions of the Companies Act;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and preferential claim being satisfied;
- The right of freely transfers their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, the terms of the SEBI (LODR) Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, please refer to section titled “Provisions of the Articles of Association” beginning on page 228 of this Prospectus.

## Minimum Application Value, Market Lot and Trading Lot

In accordance with Regulation 267(2) of the SEBI ICDR Regulations, 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

The trading of our Equity Shares will happen on NSE EMERGE Platform only in dematerialized form, consequent to which the traded lot size is 3000 Equity Shares and the same may be modified by NSE EMERGE 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 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Shares, they shall 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 Mumbai, Maharashtra.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at the Registered Office of our Company or with 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, 2013, as mentioned above, shall upon the production of such evidence as may be required by our 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, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, our 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 will be made only in dematerialized form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors want to change their nomination, they are requested to inform their respective Depository Participant.

### **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 fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within six (6) working days of closure of Issue.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves 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) Working 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 or the Sponsor

Bank to unblock the bank accounts of the ASBA Applicants within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated date, amounts that have been credited to the public issue account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

#### **Period of operation of subscription list of Public Issue**

|                                                                       |                   |
|-----------------------------------------------------------------------|-------------------|
| Issue Opening Date                                                    | September 30,2020 |
| Issue Closing Date                                                    | October 05,2020   |
| Finalization of Basis of Allotment with the Designated Stock Exchange | October 08,2020   |
| Initiation of Refunds                                                 | October 09,2020   |
| Credit of Equity Shares to demat accounts of Allottees                | October 12,2020   |
| Commencement of trading of the Equity Shares on the Stock Exchange    | October 13,2020   |

The above timetable is indicative and does not constitute any obligation on our Company, and the Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE Emerge are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from NSE Emerge. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE Emerge and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted only between **10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by NSE Emerge, in case of Applications by Retail Individual Applicants after taking into account the total number of Applications received up to the closure of timings and reported by the Lead Manager to NSE Emerge.

**It is clarified that Applications not uploaded on the electronic system or in respect of which the full application amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected. Applications will be accepted only on Working Days i.e., Monday to Friday (excluding any public holiday).**

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the issue period disclosed in the Prospectus, for a minimum period of three working days, subject to the Issue Period not exceeding 10 working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. As per Regulation 260(1) of SEBI ICDR Regulations, this Issue is 100% underwritten.

If our Company does not receive the 100% subscription of the Issue within the Issue Period through the Offer Document including devolvment of Underwriters, if any, within sixty (60) days from the date of Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest at the rate of 15% per annum for the period of delay or at such rate as prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 another applicable laws, if any.

### **Migration to Main Board**

Our company may migrate to the main board of NSE from NSE EMERGE on a later date subject to the following:

- i. The paid-up equity capital of our Company shall not be less than Rs. 10 crores\* and the capitalization of our Company's equity shall not be less than Rs. 25 crores.\*\*

\* Explanation 1

For this purpose, the post-issue paid-up equity capital for which migration is sought shall be taken into account.

\*\* Explanation 2

For this purpose, capitalization will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post-issue number of equity shares.

- ii. Our Company should have been listed on the NSE EMERGE for at least 2 years.

### **Market Making**

The shares offered through this issue are proposed to be listed on the EMERGE Platform of NSE (SME Exchange) wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Maker of the SME Exchange for a minimum period of 3 (three) years from the date of listing of shares issued through this Prospectus on the EMERGE Platform of NSE. For further details of the market making arrangement, please refer to section titled "General Information" beginning on page 45 of this Prospectus.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 3000 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 (1) lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of NSE.

### **As Per the Extant Policy of the Government of India, OCBs cannot participate in this Issue**

NRIs, FPIs/FILs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign

direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

### **New Financial Instruments**

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Application by Eligible NRIs, FPIs/FILs Registered with SEBI, VCFs Registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-Issue Equity Shares of our Company and Promoter's minimum contribution as detailed in section titled "*Capital Structure*" beginning on page 55 of this Prospectus, and except as provided in our Articles of Association, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting except as provided in our Articles of Association. Please refer to the section titled "*Provisions of the Articles of Association*" beginning on page 228 of this Prospectus.

### **Allotment of Equity Shares in dematerialized form**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialized form. Hence the Equity Shares offered through the Prospectus can be applied for in the dematerialized form only. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated 17<sup>th</sup> March, 2020 amongst NSDL, our Company and the Registrar to the Issue; and
2. Tripartite agreement dated 1<sup>st</sup> April, 2020 amongst CDSL, our Company and the Registrar to the Issue.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.



*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 hereinabove. 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 this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) and other provisions of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, as the post issue face value capital is less than or equal to ₹1,000 Lakhs. The Company shall issue specified securities 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). For further details regarding the salient features and terms of such an Issue, please refer to section titled "Terms of the Issue"; and "Issue Procedure" beginning on page 185; and 196 respectively of this Prospectus.

The Issue comprises of a Public Issue of up to 24,36,000 Equity shares of face value of ₹10 each fully paid (the "**Equity Shares**") for cash at a price of ₹42 (including a premium of ₹32 per Equity Share) aggregating up to ₹1023.12 Lakhs (the "**Issue**") by our Company.

The Issue comprises a Net Issue to Public of up to 23,13,000 Equity Shares (the "**Net Issue**") and up to 1,23,000 Equity Shares of ₹10/- each will be reserved for subscription by Market Maker ("**Market Maker Reservations Portion**"). The Issue and Net Issue will constitute 28.49% and 27.05% of the Post-Issue Paid-up Equity Share Capital of our Company.

The Issue is being made through the Fixed Price Process:

| Particulars                                                                    | Net issue to Public                                                                                                                                                                                                                                                                                            | Market Maker Reservation Portion                                                                                                       |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Number of Equity Shares available for allocation</b>                        | 23,13,000 Equity Shares                                                                                                                                                                                                                                                                                        | 1,23,000 Equity Shares                                                                                                                 |
| <b>Percentage of Issue Size available for allocation</b>                       | 27.05% of Issue Size                                                                                                                                                                                                                                                                                           | 1.44% of Issue Size                                                                                                                    |
| <b>Basis of Allotment/ Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of 3000 equity shares and further allotment in multiples of 3000 Equity Shares each. For further details please refer to the section titled "Issue Procedure" beginning on page 196 of this Prospectus                                                              | Firm allotment                                                                                                                         |
| <b>Mode of Application</b>                                                     | Through ASBA Process Only or through UPI for Retail Individual Investors.                                                                                                                                                                                                                                      | Through ASBA Process only                                                                                                              |
| <b>Minimum Application Size</b>                                                | <b>For Non-Retail investors</b><br><br>Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application size exceeds ₹ 2,00,000<br><br><b>For Retail Individual Investors</b><br>3000 Equity Shares                                                                                   | 1,23,000 Equity Shares                                                                                                                 |
| <b>Maximum Application Size</b>                                                | <b>For Other than Retail Individual Investors:</b><br>For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.<br><b>For Retail Individuals Investors:</b><br>3000 Equity Shares | Equity Shares of Face Value of ₹ 10 each                                                                                               |
| <b>Mode of Allotment</b>                                                       | Compulsorily in Dematerialised mode                                                                                                                                                                                                                                                                            | Compulsorily in Dematerialised mode                                                                                                    |
| <b>Trading Lot</b>                                                             | 3000 Equity Shares                                                                                                                                                                                                                                                                                             | 1,23,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations. |

|                         |                                                                                                                                                                                                                                       |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Terms of payment</b> | The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RILs using the UPI mechanism) at the time of the submission of the Application Form |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time.*

*Since there is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of these SEBI ICDR Regulations shall be made as follows:*

*50% of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹2,00,000 i.e., to Retail Individual Investors and the balance 50% of the shares are reserved for applications whose value is above ₹2,00,000 i.e., to other than retail investors and investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

*Provided that the unsubscribed portion in either of the categories may be allocated to applicants in the other category.*

*Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves 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) Working 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 or the Sponsor Bank (in case of RILs using the UPI mechanism) to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated date, amounts that have been credited to the public issue account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with Stock Exchange.

### **Period of operation of subscription list of Public Issue**

|                                                                       |                    |
|-----------------------------------------------------------------------|--------------------|
| Issue Opening Date                                                    | September 30, 2020 |
| Issue Closing Date                                                    | October 05, 2020   |
| Finalization of Basis of Allotment with the Designated Stock Exchange | October 08, 2020   |
| Initiation of Refunds                                                 | October 09, 2020   |
| Credit of Equity Shares to demat accounts of Allottees                | October 12, 2020   |
| Commencement of trading of the Equity Shares on the Stock Exchange    | October 13, 2020   |

The above timetable is indicative and does not constitute any obligation on our Company, and the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE Emerge are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from NSE Emerge. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE Emerge and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by NSE Emerge, in case of Applications by Retail Individual Applicants after taking into account the total number of Applications received up to the closure of timings and reported by the Lead Manager to NSE Emerge.

**It is clarified that Applications not uploaded on the electronic system or in respect of which the full application amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected. Applications will be accepted only on Working Days i.e., Monday to Friday (excluding any public holiday).**

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the issue period disclosed in the Prospectus, for a minimum period of three working days, subject to the Issue Period not exceeding 10 working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of any discrepancy in the data entered in the electronic System vis-à-vis the data contained in the Application Form, for a particular Applicant, the Registrar to the Issue shall ask for rectified data.

### **Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

| <b>Issue Price (in Rs.)</b> | <b>LotSize (No. of shares)</b> |
|-----------------------------|--------------------------------|
| Up to 14                    | 10000                          |
| More than 14up to 18        | 8000                           |
| More than 18up to 25        | 6000                           |
| More than 25up to 35        | 4000                           |
| More than 35up to 50        | 3000                           |
| More than 50up to 70        | 2000                           |
| More than 70up to 90        | 1600                           |
| More than 90up to 120       | 1200                           |
| More than 120up to 150      | 1000                           |
| More than 150up to 180      | 800                            |
| More than 180up to 250      | 600                            |
| More than 250up to 350      | 400                            |
| More than 350up to 500      | 300                            |
| More than 500up to 600      | 240                            |
| More than 600up to 750      | 200                            |
| More than 750up to 1000     | 160                            |
| Above 1000                  | 100                            |

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular CIR/CFD/DIL/1/2016 dated January 1, 2016, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, and the circular SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants; (v) Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid 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 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) interest in case of delay in allotment or refund; and (xii) disposal of application.

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 RIBs 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 will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 244(5) and Regulation 271 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. Our Company, and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants 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 the Prospectus and the Prospectus.

**This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.**

### Fixed Price Issue Procedure

The Issue is being made under Regulation 229(2) of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process under Regulations 253(2) of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is

allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and on-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Under subscription if any, in any category, except in 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 Lead Manager and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchange or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the LM may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Under-subscription, if any, in any category, including the Employee Reservation Portion, would be allowed to be met with spill over from any other category or combination of categories of Applicants at the discretion of our Company (through the IPO Committee) in consultation with the Lead Manager, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of SME platform of NSE (NSE EMERGE).

**Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI. The Bid cum Application Forms which do not have the details of the Applicants' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Applicants 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 IPO.**

#### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated

Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no.SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020.

**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.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### **Availability of Abridged Prospectus and Application Forms**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of the Stock Exchange at least one day prior to the Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Lead Manager.

All Applicants (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Applicants shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| <b>Category</b>                                                                                                                                             | <b>Colour of Application Form*</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Applicants and Eligible NRIs applying on a non-repatriation basis | White                              |
| Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis                                          | Blue                               |



|                                                                |       |
|----------------------------------------------------------------|-------|
| Anchor Investors                                               | White |
| Eligible Employees bidding in the Employee Reservation Portion | Pink  |

\*Excluding electronic Application Form

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of the Stock Exchange.

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Lead Manager.

(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered Office and Corporate Office of the Company

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchange. For RIBs using UPI Mechanism, the Stock Exchange 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 RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Applicant has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed 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.      | Registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)                    |

### Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organizations authorized in India to invest in the Equity Shares.

- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Overseas Corporate Bodies

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Insecurities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the terms. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

#### **Maximum and Minimum Application Size**

##### **1. For Retails Individual Applicants**

The Application must be for a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Investors (Non-Institutional Investors 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 3000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, 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.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

The above information is given for the benefit of the Applicants. The 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations

### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Lead Manager, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialized form only. Investors opting for allotment in dematerialized form may get the specified securities rematerialized subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

### **Application By HUF**

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/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*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals

### **Application by Mutual Funds**

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the 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

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs/FII's on Repatriation Basis**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying 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 Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Application by FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group 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 on a fully-diluted basis. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the FEMA Regulations 2017, except for things done or omitted to be done before such supersession.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In accordance with the FEMA Non-Debt Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent 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 warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. the aggregate

limit as provided above may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020.

The Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively. However, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- (a) each offshore derivative instrument is transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (I) 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.

Category I and II AIFs cannot invest more than 25% of their corpus in one (I) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (I) investee company. A venture capital fund registered as a category I AIF, as defined in 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 SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (I) year from the date of purchase by such VCF or category I AIFs or FVCI.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

### **Application by Eligible Employees**

Application under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).

- (b) The Bid must be for a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹200,000.
- (c) The Applicant should be an Eligible Employee as defined above. In case of joint bids, the first Applicant shall be an Eligible Employee.
- (d) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (e) Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- (f) Eligible Employees can apply at Cut-off Price.
- (g) Bid by Eligible Employees can be made also in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids.
- (h) If the aggregate demand in this category is less than or equal to 3000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.

In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 5% of the post-Issue share capital of our Company. If the aggregate demand in this category is greater than 3000 Equity Shares at or above the Issue Price, the allocation shall be made on proportionate basis.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof.

#### **Application by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Bids made by banking companies registered with the 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 thereof.

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 Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, dated May 26, 2016, as amended, individually shall not exceed 10% of the bank's paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/ strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. A banking company is required to submit a time-bound action plan for disposal of such shares within a specified

period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **Application by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI 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.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "**IRDA Investment Regulations**"), are broadly set forth below:

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 (a), (b) and (c) below, as the case may be.

- (a) *Limit for the investee company:* The lower of: (i) 10%\* of the outstanding equity shares (face value); and (ii) 10% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer), as the case maybe;
- (b) *Limit for the entire group of the investee company:* Not more than: (i) 15% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of general insurer (including reinsurer or a health insurer); or (ii) 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) *Limit for the industry sector to which the investee company belongs:* Not more than: (i) 15% of the such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including a re-insurer or a health insurer); or (ii) 15% of the investment asset, whichever is lower.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application 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 Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason

thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application 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:

- With respect to Applications by FIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications 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 Application Form.
- With respect to Applications 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 Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

### **Electronic Registration of Bid**

For information, please see the General Information Document.

In accordance with existing regulations, OCBs cannot participate in the Issue.

The above information is given for the benefit of the Applicants. Our Company, the Lead Manager 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 this Prospectus. Applicants are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable



investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

### **Terms of payment**

The entire Issue price of ₹42 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Applicant, as the case may be.

### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **ASBA Process**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II have become effective from July 01, 2019, however pursuant to circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, the timeline Phase-II of the said circular is extended till March 31, 2020 to ensure smooth transition to UPI in ASBA process; thereafter for applications by *Retail Individual Investors* through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

**Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

**Unblocking of Funds:**

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate processor credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPIID only.**

**Rejection grounds under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

**List of Banks providing UPI facility**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanisms provided on the SEBI Website at the following path:

*Home >> Intermediaries/Market Infrastructure Institutions >>Recognized Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI*

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online

trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no.SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchange. There will be at least one on-line connectivity facility in each city, where a stock exchange located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary 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 on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - i. Name of the Applicant;
  - ii. IPO Name;
  - iii. Application Form number;
  - iv. Investor Category;
  - v. PAN (of First Applicant, if more than one Applicant);
  - vi. DP ID of the demat account of the Applicant;
  - vii. Client Identification Number of the demat account of the Applicant;
  - viii. UPI ID (RIs applying through UPI Mechanism)
  - ix. Numbers of Equity Shares Applied for;

- x. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSBbranch where the ASBA Account is maintained; and
  - xi. Bank account number
  - xii. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
  9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
  10. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; 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 Exchange.
  11. Only Applications that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar 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.

### **Signing of Underwriting Agreement**

The issue is 100% Underwritten. For further details please refer to Section titled “General Information” on page 45 of this Prospectus.

### **Filing of the Offer Document with the RoC**

For filing details, please refer Chapter titled “General Information” beginning on page 45 of this Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

### **Withdrawal of Applications**

- a) RILs can withdraw their applications until Issue Closing Date. In case a RILs wishes to withdraw the applications during the Issue 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 or Sponsor Bank in the ASBA Account.

- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation of Equity shares**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicant at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from another category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

- 1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- 2. **Issuer will that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue 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 Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **Issuance of Confirmation Allocation Note ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the Lead Manager, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Issue Price is higher than the Investor Allocation Price: Investors will be sent revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Issue Price and the 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 Investors.

- c) In the event the Issue Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

### **General Instructions**

Applicants are requested to note the additional instructions provided below.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
7. All Applicants (other than Anchor Investors) should apply through the ASBA process only;
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants 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;

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. Ensure that the name(s) given in the 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 application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;
21. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online system of Stock Exchange by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
22. In relation to the ASBA Applications, ensure that you use the ASBA Form bearing the stamp of the relevant Designated Intermediary (in the Specified Locations) (except in case of electronic forms);
23. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus; Ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Collection Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one (1) 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>). Ensure that you have mentioned the correct Subaccount number in the Application Form;
24. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgement;
25. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
26. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
27. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- I. Do not apply for lower than the minimum Application size;



2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such banks not a SCSB), our Company, the Lead Manager or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account;
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in This be Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application 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 Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one(1) branch in the relevant Collection Centre, 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>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

### **Applicant's Depository Account and Bank Details**

***Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Other Instructions**

#### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the

procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant 's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

## Grounds for Technical Rejections

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. 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;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled "*Issue Structure*";
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. a tripartite agreement dated 17<sup>th</sup> March, 2020 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated 1<sup>st</sup> April, 2020 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE0D0U01013

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

|                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AAA Technologies Private Limited</b><br>Mr.Sagar Shah<br>Company Secretary and Compliance Officer<br><b>Address:</b><br>278-280, F Wing, Solaris I, Saki Vihar Road<br>Opp. L&T Gate No. 6, Powai, Andheri East<br>Mumbai – 400072<br>Maharashtra, India<br><b>Tel No.:</b> +91 22 28573815/16<br><b>Email:</b> cs@aaatechnologies.co.in<br><b>Website:</b> www.aaatechnologies.co.in | <b>Link Intime India Private Limited</b><br><b>Address:</b><br>C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg<br>Vikhroli (West), Mumbai – 400083<br>Maharashtra, India<br><b>Tel No.:</b> +91 22 49186200<br><b>Email:</b> aaa.ipo@linkintime.co.in<br><b>Website:</b> www.linkintime.co.in<br><b>Contact Person:</b> Ms. Shanti Gopalkrishnan<br><b>SEBI Registration Number:</b> INR000004058<br><b>Investor Grievance Email id:</b> aaa.ipo@aaatechnologies.co.in |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders(except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Bid/Issue Closing Date.

### Impersonation

Attention of the Applicant 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:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

### Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### Grounds for Refund

#### Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from Lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue 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 money has to be returned within such 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 the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

### **Minimum Number of Allottees**

The Issuer shall ensure that the number of Allottees to whom Equity Shares are allotted in the Initial Public Offer are not be less than fifty (50), failing to which the entire share application monies shall be refunded forthwith.

### ***Mode of making refunds for Applicants other than ASBA Applicants***

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Applicant as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearinghouses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the Applicant, DP ID and beneficiary account number provided by them in the Bid-cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address,

Applicants account details, IFSC code, MICR code and occupation(hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and

- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to DRHP.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as may be specified by SEBI.

### **Completion of Formalities for listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3000 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 3000 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the 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 (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of equity shares subject to a minimum allotment of 3000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will



be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3000 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 Issue specified under the Capital Structure mentioned in the Prospectus.

6. Since present issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:
  - a. A minimum of 50% of the net issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage. Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual

Investor in the manner in this para titled '*Basis of Allotment*' of 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 the Stock Exchange.

#### **Basis of Allotment in the event of Under subscription**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size which shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in fair and proper manner in accordance with the SEBI ICDR Regulations.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;

4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue at any stage including after the Issue Closing Date, our Company shall be required to file a fresh prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.

- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## 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 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 RBI and the concerned ministries/departments are responsible for granting approvals for foreign investment.

The Government has from time to time made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion)("DPIIT"), issued the Consolidated FDI Policy Circular of 2017 ("FDI Policy"), which with effect from August 28, 2017, consolidated and supersedes all previous press notes, press releases and clarifications on FDI that were in force and effect as on August 28, 2017. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI(SAST) Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Long term investors like sovereign wealth funds, multilateral agencies, endowment funds, insurance funds, pension funds and foreign central banks may purchase securities subject to such terms and conditions as may be specified by the Reserve Bank and the Securities and Exchange Board of India.

As per the existing policy of the Government of India, OCBs were not permitted to participate in this Issue.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

Revised Policy for Investment by Non-Resident Entities in India Amid current COVID-19 Pandemic Conditions:

In order to curb opportunistic takeover / acquisition of Indian Companies due to current COVID-19 pandemic conditions, the Government of India has vide Press Note No. 3(2020 Series) have amended the extant FDI Policy, 2017 according to which a non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. However, an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route. Further In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview as mentioned herein, such subsequent change in beneficial ownership will also require Government approval

## SECTION XI – PROVISIONS OF THE ARTICLES OF ASSOCIATION

### ARTICLES OF ASSOCIATION

#### I. CONSTITUTION OF THE COMPANY

- a) The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply 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 shareholders 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. 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.*

- a. **“Act”** means the Companies Act, 2013 and all rules, notifications, circulars and clarifications issued thereunder or the Companies Act, 1956 and the rules issued thereunder (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing.
- b. **“Accounts”** shall mean the audited financial statements as well as unaudited financial results of the Company, on a consolidated and standalone basis, as applicable, including the balance sheet, profit and loss account and cash flow statements, together with all such documents which are required to be annexed to such audited financial statements or unaudited financial results prepared in accordance with the format prescribed under Law;
- c. **“ADRs”** shall mean American Depository Receipts representing ADSs.
- d. **“Annual General Meeting”** shall mean the General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.
- e. **“ADR Facility”** shall mean an ADR facility established/which may be established by the Company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- f. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- g. **“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.
- h. **“Auditors”** shall mean and include those persons appointed as auditors for the time being by the Company.
- i. **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.

- j. **“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.
- k. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- l. **“Business Day”** means a day other than Saturday or Sunday or public holidays in India under the Negotiable Instrument Act, 1881 on which scheduled banks are generally open for business in Mumbai.
- m. **“Capital”** or **“Share Capital”** shall mean the share capital, for the time being comprising the Equity Share Capital and Preference Share Capital, as may be the case, raised or authorised to be raised by the Company in terms of these Articles, the Act and the Memorandum of Association of the Company.
- n. **“Chairman of General Meeting”** shall mean such person as is nominated or appointed in accordance with Article 32 herein below.
- o. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956) and the rules framed thereunder including any statutory modification or re-enactment thereof, to the extent in force.
- p. **“Company”** or **“this Company”** shall mean AAA Technologies Limited, incorporated under the Companies Act, 1956.
- q. **“Committees”** shall mean a committee constituted in accordance with Article 66.
- r. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- s. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- t. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- u. **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with Law and the provisions of these Articles.
- v. **“Dividend”** shall include interim and final dividends.
- w. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.
- x. **“Equity Shares”** shall mean the equity shares of the Company having a par value of INR 10/- (Rupee Ten Only) per equity share or such other par value as approved by the shareholders of the Company in accordance with applicable Law, and one vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- y. **“Encumbrances”** means, any claim, mortgage, charge (fixed or floating), non -disposal undertaking, escrow, power of attorney (by whatever name called), pledge, lien, hypothecation, option, power of sale,

right of pre-emption, right of first refusal, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements and any agreement or obligation to create any of the foregoing, or encumbrance of any kind, or contract to give or refrain from giving any of the foregoing;

- z. **“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 Equity Share or Equity Shares 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.
- aa. **“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;
- bb. **“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.
- cc. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- dd. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- ee. **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- ff. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.
- gg. **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.
- hh. **“India”** shall mean the Republic of India.
- ii. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, notifications, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP, Indian Accounting Standards (Ind AS) or any other generally accepted accounting principles.
- jj. **“Managing Director”** shall have the meaning assigned to it under the Act.
- kk. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India



- ll. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- mm. **“Member”** shall mean:
- i. the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;
  - ii. every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;
  - iii. every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository
- nn. **“Month”** means a calendar month.
- oo. **“Office”** shall mean the registered office for the time being of the Company.
- pp. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- qq. **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.
- rr. **“Paid up”** means the amount credited as paid up.
- ss. **“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).
- tt. **“Preference Share Capital”** shall mean the total issued and paid-up preference share capital of the Company.
- uu. **“Preference Shares”** shall mean the preference shares of the Company as approved to be issued by the Board of Directors and/or shareholders of the Company in accordance with applicable Law.
- vv. **“Register of Members”** shall mean the register of members to be maintained as per the Act.
- ww. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- xx. **“Rules”** shall mean the rules made under the Act, as amended and notified from time to time.
- yy. **“Seal”** or **“Common Seal”** shall mean the common seal(s) for the time being of the Company.
- zz. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- aaa. **“SEBI Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

bbb. **“Secretary”** or **“Company Secretary”** shall mean a Company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a Company secretary under the Act.

ccc. **“Securities”** shall have the meaning assigned to the term in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time.

ddd. **“Share Equivalents”** shall mean any debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into equity shares.

eee. **“Shareholder”** shall mean any shareholder of the Company, from time to time.

fff. **“Shareholders Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings and Extraordinary General Meetings of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

ggg. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.

hhh. **“Stock Exchange(s)”** shall mean the National Stock of Exchange of India Limited, BSE Limited or such other stock exchange, where the securities of the Company are time being listed.

iii. **“Subsidiary (ies)”** shall have the meaning assigned to it under the Act.

jjj. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word “Transferred” shall be construed accordingly.

kkk. **“Tribunal”** shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

## **B. CONSTRUCTION**

In these Articles (unless the context requires otherwise):

- i. References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- ii. 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.
- iii. 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.

- iv. 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.
- v. Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- vi. The terms “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.
- vii. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- viii. A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- ix. 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.
- x. References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- xi. References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- xii. In these Articles, words that are gender neutral or gender specific include each gender, as the context may require.
- xiii. 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 shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### ***Share capital and reduction of capital***

### **4. SHARE CAPITAL**

- a. The authorised Share Capital of the Company shall be as stated under Clause 5 of the Memorandum of Association of the Company from time to time.
- b. The Share Capital of the Company may be classified into: (a) Equity 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; and (b) preference shares, non-convertible or convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.

- c. Subject to Article 4(b), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- d. The Board may allot and issue shares of the Company 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 the 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. However, the aforesaid shall be subject to the approval of members under the relevant provisions of the Act and Rules.
- e. Nothing herein contained shall prevent the Board from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- f. Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- g. All of the provisions of these Articles shall apply to the Shareholders.
- h. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity 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.
- i. 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 Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- j. Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Act and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Law from time to time.

## **5. PREFERENCE SHARES**

Subject to the provisions of Section 55 and other applicable provisions of the Act and applicable Law, the Company shall have power to issue any Preference Shares, which are liable to be redeemed / convertible into securities on such terms and in such manner as the Company may determine before issue of such preference shares.

## **6. SHARE EQUIVALENT**

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

## **7. ADRs/GDRs**

The Company shall, subject to the applicable provisions of the Act, compliance with all Law and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

## **8. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by 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 authorised Share Capital by such amount as it thinks expedient;
- b. consolidate and sub-divide all or any of its Share Capital into shares of larger amount than its existing shares;

*Provided that no consolidation and sub-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 manner prescribed under the Act.*

- c. convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination
- d. sub-divide its 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
- e. cancel 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. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

## **9. REDUCTION OF SHARE CAPITAL**

The Company may, subject to Section 66 and other applicable provisions of the Act, from time to time, 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.

## **10. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and regulations formulated by any statutory/regulatory authority as may be applicable from time to time.

## **11. VARIATION OF CLASS OF SHAREHOLDERS' RIGHTS**

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, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General

Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

### ***Registers, Shares and Share certificates***

## **12. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- a. The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, 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 register(s) and index of beneficial owners maintained by a depository under the Depositories Act, 1996, as amended, shall be deemed to be the corresponding register(s) and index required under (a) above and the Act.
- c. The Company shall also be entitled to 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.

## **13. 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 dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- d. A certificate issued under the Common Seal, if any, of the Company and signed by two Directors or by a Director and the Company 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 dematerialized form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- e. 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 Board / Committee of the Board so decide or on payment of such fees (not exceeding Rupees fifty for each certificate) as the Board 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 Board shall comply with the applicable provisions of the Act, Rules or regulations or requirement of Stock Exchange and rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act or rules applicable in this behalf.

- f. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- g. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- h. 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.
- i. The Company Secretary 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 certificates referred to in sub-article (h) of this Article.
- j. All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- k. If any Share 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 a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- l. Subject to applicable provisions of the Act, the Company shall issue certificates or receipts or advices, as applicable, of sub-division, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of 30 (thirty) days from the date of such lodgement.

#### **14. SHARES AT THE DISPOSAL OF THE BOARD**

- 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 such person(s), in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) at such time as they may, from time to time, think fit for such consideration as the Board think fit which may be either in cash or otherwise, that is for any property sold and transferred or for any services rendered to the Company in the conduct of its business, or in any combination thereof and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.
- b. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, 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.
- c. Every Shareholder, or his heir(s), Executor(s), or Administrator(s) 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.
- d. In accordance with Section 56 and other applicable provisions of the Act and the Rules:

- i. Every Member 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 under the Seal of the Company, if any, in the manner set out in this Article and signed by two Directors or by a Director and Company Secretary. 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. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees fifty.
- ii. Every Member 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 Board so approve (upon paying such fee as the Board 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, or within 1 (one) month of the date of receipt of instrument of transfer, transmission, sub- division, consolidation or renewal of its shares as the case may be.
- 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.
- 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 etc, 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.

#### ***Underwriting and Brokerage***

### **15. 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 consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Act, Companies (Prospectus and Allotment of Securities) Rules, 2014 and regulations prescribed by SEBI for this purpose as amended from time to time.
- b. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

#### ***Calls***

### **16. CALLS ON SHARES**

- a. Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), 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 installments. 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. Such days' notice in writing as permitted under the Act, at the least shall be given by the Company of every call (otherwise than on allotment) specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.



- c. The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, 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 or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of 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 as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such 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.
- 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 installments 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.
- i. Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- j. The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree, to and receive from any Member willing to advance the same, the whole or any part of the moneys 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 at such rate, as the Member paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

- k. No Member 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.
- l. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

### ***Lien***

## **17. COMPANY'S LIEN**

- 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 (whether solely or jointly with others), for all money presently payable by him or his estate to the Company; and
  - iii. on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares:

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. No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

The Company may sell, in such manner, as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:

- 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.
- c. To give effect to any such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- d. The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
- e. The provisions of this Article shall *mutatis mutandis* apply to the Debentures of the Company.

### ***Forfeiture***

## **18. FORFEITURE OF SHARES**

- a. If any Shareholder fails to pay any call or instalment 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 him 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 the 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 be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, 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. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- 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. 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.
- g. 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.
- h. 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 sold and cause the purchaser's name to be entered 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.
- i. 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.
- j. 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.

#### ***Further issue***

### **19. 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, on the date specified under Law, 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, unless otherwise prescribed under Law, 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 clause 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 clause (i) or clause (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 applicable provisions of the Act and the Rules.

### ***Transfer and Transmission***

## **20. TRANSFER AND TRANSMISSION OF SHARES**

- a. The Company shall maintain a "Register of Transfers" and shall have recorded therein 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, 1996 shall apply. All provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.
- 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 in the common form as prescribed in the rules made under section 56 of the Act and 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 shall have been entered in the Register of Members in respect thereof.
- e. The Board shall have power on giving not less than 7 (seven) days previous notice 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 publishing the notice on the website as may be notified by the Central Government and 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.

- f. Subject to the provisions of Sections 58 and 59 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, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member 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 the transferor or to the person giving intimation 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.

- g. 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 or Shareholders 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.
- h. 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), 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 holders of succession certificate 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 20 (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.
- i. The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- j. Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, 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.
- k. A Person becoming entitled to a share by reason of the death or insolvency of a member 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 member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.
- l. Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered 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.

- m. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- n. 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 special 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.
- o. In case of transfer and transmission of shares or other marketable 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.
- p. 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.
- q. No fee shall be charged by 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 and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- r. 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.
- s. The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

## **Dematerialization**

### **21. DEMATERIALIZATION OF SECURITIES**

#### **a. Dematerialization:**

Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the dematerialized form 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, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, deal in, 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 thereof, shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.
- c. If a Person opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles 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 member of the Company.
  - iv. The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- 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.

**g. 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 marketable 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.

**h. 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.

**i. 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.

**j. 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.

***Nomination***

**22. NOMINATION BY SECURITY HOLDERS**

A holder of a security may appoint a nominee for his securities subject to the provisions of Section 72 of the Act and subject to the provisions of the Rules as may be prescribed in this regard.

**23. NOMINATION FOR FIXED DEPOSITS**

A depositor (who shall be the member of the Company) 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.

**24. 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.



## **Borrowing**

### **25. 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 members 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 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, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof 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. 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 shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Provided that Debentures with rights to allotment of shares or conversion into shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.
- d. Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- e. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures 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.

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.

### ***Conversion of Shares***

#### **26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- 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.

### ***Meetings of the Members***

#### **27. ANNUAL GENERAL MEETING**

In accordance with the provisions 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, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next Annual General Meeting. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

#### **28. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

- a. Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. 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 member 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 proxy Register with 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 concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

#### **29. NOTICE OF GENERAL MEETING**

The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014 and the Secretarial Standard 2 prescribed by the Institute of Company Secretaries of India.

#### **30. REQUISITION OF EXTRA-ORDINARY GENERAL MEETING**

- a. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and 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 members 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.

### **31. QUORUM FOR GENERAL MEETING**

The quorum for the members' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same day in the next week at the same time and place or to such other date and 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.

### **32. CHAIRMAN OF THE GENERAL MEETING**

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 is not 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 Members present shall elect, on a show of hands or on a poll if properly demanded, one of their member 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.

### **33. 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.

### **34. RESOLUTIONS AT GENERAL MEETING**

- a. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. 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 in accordance with the provisions of the Act, 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 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 one or more scrutinizers to scrutinise 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 scrutinizer from office and fill vacancies in the office of scrutinizer 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. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- 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 Members 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.

### **35. 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 and applicable Law.

### **36. VOTES OF MEMBERS**

- a. No member 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. No members shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- c. 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 member 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 member present in person shall have one vote and upon a poll, the voting right of such member 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.

- d. On a poll taken at a meeting of the Company, a member 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.
- e. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, 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.
- f. 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 member 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. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- g. 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 member 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.
- h. 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.
- i. Every proxy, (whether a member 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 Common 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.
- j. 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.
- k. A Member present by proxy shall be entitled to vote only on a poll.
- l. An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notary certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notary

certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid.

- m. 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 in the Companies (Management and Administration) Rules, 2014.
- n. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Board may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- o. 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.
- p. No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- q. 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.
- r. 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.
- s. Any corporation which is a member of the Company may, by resolution of the Board or other governing body, authorise 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 member in the Company (including the right to vote by proxy).
- t. 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, the SEBI Listing Regulations or any other Law, if applicable to the Company.

#### ***Board of Directors***

### **37. DIRECTORS**

- a. 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), provided that the Company may appoint more than 15(fifteen) directors after passing a special resolution in 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.
- b. The first Directors of the Company are:
  - 1. Mr. Anjay Agarwal
  - 2. Mr. Sanjay Bhatia

### **38. 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 tenure of the Chairman shall be as may be decided by the Board in this regard or if no duration is specified at the time of appointment or election, shall be for such time till decided otherwise by the Board. The Chairman shall preside at all meetings of the Board. 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 within 15 minutes after the time appointed for holding 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.

### **39. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his 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 for a period of not less than three months from India. An Alternate Director appointed under 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.

### **40. 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 additional director 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 37. Any Person so appointed as an additional director 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.

### **41. 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. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

### **42. 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, read with the SEBI Listing Regulations, as may be amended from time to time or any other Law, as may be applicable.

#### **43. EQUAL POWER TO DIRECTOR**

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

#### **44. NOMINEE DIRECTORS**

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a 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 common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other 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 nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

#### **45. NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

#### **46. 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, rules & provisions as 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 for each meeting of the Board or any Committee thereof attended by him.
- c. The remuneration payable to each non-executive Director for every meeting of the Board or Committee(s) 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 under the Act.
- d. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Members in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non- executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees.

#### **47. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

Subject to the provisions of the Act and Law, if any Director is 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 Board), 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.



#### **48. 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 37 hereof, the continuing Directors not being less than two 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.

#### **49. VACATION OF OFFICE BY DIRECTOR**

The office of a Director, shall *ipso facto* be vacated on the grounds as mentioned in Sections 167 of the Act.

#### **50. RELATED PARTY TRANSACTIONS**

Subject to the provisions of the Section 188 of the Act and Companies (Meetings of Board and its Powers) Rules, 2014 read with the SEBI Listing Regulations or any other law for the time being in force, the Company may enter into contracts or arrangement with the related parties, with the consent of the Audit Committee or Board or Members in the General Meeting, as may be required.

#### **51. DISCLOSURE OF INTEREST**

- a. A Director of the Company in the manner provided in Section 184 of the Act shall at the first meeting of the Board in which he participates and at the first meeting of the Board in every financial year thereafter or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the Companies (Meeting of the Board and its Powers) Rules 2014;
- b. A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

#### **52. RETIREMENT OF DIRECTORS BY ROTATION**

Subject to Section 152 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation. Provided that Directors appointed as Independent Director(s) under these Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors under this Article. At the Annual General Meeting of the Company to be held in every year, one third of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office in the manner prescribed under the Act and the Rules, and they will be eligible for re-election.

#### **53. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.**

Subject to Article 37 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

#### **54. REGISTER OF DIRECTORS ETC.**

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Director(s), Manager, Secretary and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

## **55. DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

Subject to the provisions of the Act and SEBI Listing Regulations and applicable Law, the Company may procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- a. on terms approved by the Board;
- b. which includes each Director as a policyholder;
- c. is from an internationally recognized insurer approved by the Board; and
- d. for a coverage for claims of an amount as may be decided by the Board, from time to time.

## **56. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY**

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

## **57. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee 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 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 tortuous 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 negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality of

the foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

### ***Management***

## **58. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

**59. PROVISIONS APPLICABLE TO MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager.

**60. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Board subject to the approval of the Members at the next General Meeting from time to time. The remuneration may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

**61. POWERS AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**62. PROCEEDINGS OF THE BOARD OF DIRECTORS**

The proceedings of Board meeting shall be governed by Section 173 and other relevant provisions of the Companies Act 2013, Companies (Meeting of the Board and its Powers) Rules 2014, Secretarial Standard I prescribed by the Institute of Company Secretaries of India and the regulations prescribed by SEBI from time to time.

**63. QUORUM FOR BOARD MEETING**

**a. Quorum for Board Meetings**

The quorum for Board meetings shall be as prescribed under Section 174 read with the SEBI Listing Regulations as amended from time to time.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned to the same day at the same time and place in the next week, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place and time as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- b. If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

#### **64. QUESTIONS AT THE BOARD MEETINGS**

- a. 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.
- b. 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 authorised 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. The Board shall exercise certain powers as mentioned in the Section 179 of the Act only by resolutions passed at the meeting of the Board any other matter which may be prescribed under the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

#### **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.
- 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 its Committee(s) 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 fulfilment 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 two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulation made by the Board under the last preceding Article.

#### **67. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTS IN APPOINTMENT**

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.

## **68. PASSING OF RESOLUTION BY CIRCULATION**

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 the Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

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**

The Company shall prepare minutes of each Board Meeting in accordance with Section 118 of the Act and the Companies (Meeting of the Board and its Powers) Rules 2014 read with Secretarial Standard I.

### ***Charges***

## **70. REGISTER OF CHARGES**

The Board shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

## **71. CHARGE OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Board may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

## **72. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

## **73. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY**

If a Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

### ***Officers of the Company***

## **74. OFFICERS**

- a. The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- b. The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board.

- c. The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- d. The Board shall appoint with the approval of the Chairman, a President and/or Chief Executive Officer and / or Chief Financial Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

#### ***Secretary***

### **75. COMPANY SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Company 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 Company Secretary) to maintain the Registers required to be kept by the Company.

#### ***Seal***

### **76. COMMON SEAL**

- a. The Board may provide a Common 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 the Board shall provide for the safe custody of the Seal, if any, for the time being.
- b. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board, and except in the presence of at least one (1) Director or of the Company Secretary or such other person as the Board or Committee of the Board may appoint for the purpose; and those one (1) Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

#### ***Audit & Auditors***

### **77. AUDIT AND AUDITORS**

- a. Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act.
- b. Every audited financial statements of the Company shall be approved at an Annual General Meeting and shall be conclusive except as regards any error discovered therein within three months after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- c. Every balance sheet and profit and loss account forming part of the audited financial statements shall be audited by one or more Auditors to be appointed as hereinafter set out insofar as such financial statements are required to be audited under applicable Law. Further the Auditors may carry out limited review of the financials of the Company as may be required from time to time as per the provisions of the Act and SEBI Listing Regulations.
- d. The Company shall appoint an Auditor or Auditors at an Annual General Meeting to hold office upto such time as permitted under the Act and Law and every Auditor so appointed shall be duly intimated of his appointment.
- e. A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the

matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

- f. The persons qualified for appointment as Auditors shall be those referred to in Section 141 of the Act and the SEBI Listing Regulations.

## **78. AUDIT OF BRANCH OFFICES**

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

## **79. REMUNERATION OF AUDITORS**

The remuneration of the Auditors shall be fixed by the Company as authorized in an Annual General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014. Provided that the Board may fix the remuneration of the first auditors appointed by it.

### ***Documents & Notices***

## **80. DOCUMENTS AND NOTICES**

- a. A document or notice may be given or served by the Company to or on any Members whether having his registered address within or outside India either personally or by sending it by post 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 Member 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 Member. Such service shall be deemed to have effected 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 Members, 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 shareholder has registered his electronic mail address with the Company or the concerned depository. Provided that the Company, shall provide each members an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

#### **81. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA**

Each registered Shareholder from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **82. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS IN INDIA**

If a Members who does not have registered address in India, 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 neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

#### **83. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

#### **84. 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 Members, 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.

#### ***Declaration of Dividend***

#### **85. DIVIDEND**

- 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 Members 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 Board 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 Companies (Declaration and Payment of Dividend) Rules, 2014, as amended read with the SEBI Listing Regulations, as amended or any other Law for the time being in force the Company in a General Meeting may declare Dividend to be paid to Shareholders according to their respective rights and interests in the profits; further, the Board may declare interim dividend during financial year or any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of the profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.
- c. 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.



## **Bonus Shares**

### **86. ISSUE OF BONUS SHARES**

Subject to the provisions of Section 63 of the Act and Rules made thereunder and SEBI Listing Regulations, as amended, the Company in its General Meeting may resolve to issue the bonus shares to its Members and capitalize its profit or reserves for the purpose of issuing fully paid up bonus shares.

### **87. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP**

- a. If the Company shall be wound up, the Liquidator may, with the sanction of a special Resolution of 507 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.

## **Inspection**

### **88. INSPECTION BY MEMBERS**

The register of charges, register of investments, register of members, register of contracts and the minutes of the meeting of the members 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 Business 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 be Rupees ten per page.

## **Capitalization**

### **89.**

- a. The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing the balance in profit & loss account or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.
- b. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- c. For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the

person entitled to the dividend or capitalized funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

### **Accounts**

**90.** The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to:-

- a. all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- b. all sales and purchases of goods /services by the Company;
- c. the assets and liabilities of the Company;
- d. such particulars, if applicable to this Company, relating to utilization of material and/or labour or to other items of cost, as may be prescribed by the Central Government.
- e. Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarized returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

#### **Others**

### **91. AMENDMENT TO ARTICLES OF ASSOCIATION**

The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

### **92. SECRECY**

- a. No shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/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 managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.
- b. 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 Director 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 and the state of accounts 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 and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

### **93. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT**

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Companies Act, 2013 or Section 465 of the Companies Act, 2013, as the case may be.

### **94. GENERAL POWER**

Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorised and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

### **95. WINDING UP**

The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.

### **96. INDEMNITY AND RESPONSIBILITY**

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 favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated 18<sup>th</sup> August, 2020 and addendum dated September 24, 2020 between our Company and the Lead Manager.
2. Memorandum of Understanding dated 18<sup>th</sup> August, 2020 and addendum dated September 24, 2020 between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement/Escrow Agreement dated September 23, 2020 between our Company, the Lead Manager, Banker to the Issue/Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated September 24, 2020 between our Company, the Lead Manager and Market Maker to the Issue.
5. Underwriting Agreement dated September 24, 2020 between our Company, the Lead Manager and Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar to the Company dated 17<sup>th</sup> March, 2020.
7. Tripartite agreement between the CDSL, our Company and the Registrar to the Company dated 1<sup>st</sup> April, 2020

#### B. Material Documents

1. Original Certificate of Incorporation dated 3<sup>rd</sup> October, 2000 issued by the Registrar of Companies, Maharashtra, Mumbai and the subsequent Certificate of Incorporated dated 3<sup>rd</sup> August, 2020 issued by the Registrar of Companies, Maharashtra, Mumbai upon conversion to public limited company.
2. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
3. Copy of the Resolution of the Board of Directors meeting held on 6<sup>th</sup> August, 2020 authorizing the Issue and other related matters, if any.
4. Copy of the Shareholders' resolution passed at the AGM held on 7<sup>th</sup> August, 2020 authorizing the Issue and other related matters, if any.
5. Copies of the Audited Balance Sheet, Profit & Loss Account and Auditors' Report of the Company for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020.
6. Report of Statutory Auditors (Peer Review Auditor) of our Company M/s Vandana V. Dodhia, Chartered Accountants dated 10<sup>th</sup> August, 2020 on Restated Financial Statements of our Company for financial years ended March 31, 2018, March 31, 2019, and March 31, 2020 and Capitalization Statement dated September 24, 2020.

7. Copy of the Statement of Tax Benefits dated 10<sup>th</sup> August, 2020 from our Statutory Auditor (Peer Review Auditor).
8. Consent of the Lead Manager, Legal Advisor to the Issue, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor (Peer Review Auditor), Banker to the Company, Banker to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to act in their respective capacities.
9. Due Diligence Certificate(s) from the LM dated September 24, 2020 addressed to NSE EMERGE.
10. Copy of Board Resolution dated 21<sup>st</sup> August, 2020 approving the Draft Prospectus and dated September 24, 2020 approving the Prospectus.
11. Approval letter from NSE vide letter dated September 22, 2020 to use the name of NSE in this Draft Prospectus/Prospectus for listing of Equity Shares on the SME Platform of the NSE (NSE EMERGE).

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

|       |                                                                                      |
|-------|--------------------------------------------------------------------------------------|
| _____ | <b>Mr. Anjay Agarwal</b><br><i>Chairman &amp; Managing Director</i>                  |
| _____ | <b>Mr. Venugopal Dhoot</b><br><i>Whole-Time Director</i><br>Director (Finance) & CFO |
| _____ | <b>Mrs. Ruchi Agarwal</b><br>Executive Director (HR & Administration)                |
| _____ | <b>Mr. Rajesh Verma</b><br>Independent Director                                      |
| _____ | <b>Mr. Naveen Srivastava</b><br>Independent Director                                 |
| _____ | <b>Mr. Nabankur Sen</b><br>Independent Director                                      |

### SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER:

|       |                                                                   |
|-------|-------------------------------------------------------------------|
| _____ | <b>Mr. Venugopal Dhoot</b><br>Chief Financial Officer             |
| _____ | <b>Mr. Sagar Shah</b><br>Company Secretary and Compliance Officer |

Date: September 24, 2020

Place: Mumbai