

**DRAFT RED HERRING
PROSPECTUS**

Dated: September 24, 2024
Please read Sections 26 and 32 of the
Companies Act, 2013
(This Draft Red Herring Prospectus will be
updated upon filing with the RoC)
100% Book Built Issue



TAKYON NETWORKS LIMITED
CIN: U72300UP2015PLC070649

| Registered Office | Contact Person | Email and Telephone | Website |
|---|---|--|--|
| CP 37, Viraj Khand Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India | Pooja Sharma Company Secretary & Compliance Officer | E-mail: cs@takyon.co.in Tel No: +91-0522-6656617 | Website: www.takyon.co.in |

| | |
|---------------------------------|--------------------------------------|
| Promoters of the Company | Manish Kumar Sharma and Neeraj Kumar |
|---------------------------------|--------------------------------------|

| DETAILS OF THE ISSUE | | | | |
|----------------------|--|---|----------------------------------|---|
| Type | Fresh Issue Size (in ₹ lakhs) | OFS Size (by no. of Shares or by amount in ₹) | Total Issue Size (in ₹ lakhs) | Eligibility |
| Fresh Issue | 37,92,000 Equity Shares aggregating to ₹ [●] Lakhs | Nil | ₹ [●] Lakhs | This Issue is being made in terms of regulations 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. |

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS, AND THEIR AVERAGE COST OF ACQUISITION – NOT
APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES A FRESH ISSUE OF EQUITY SHARES**

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price are determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 68 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 23 of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring 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 Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares Issued through the Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received an “in-principle” approval letter dated [●] from the SME Platform of BSE (“BSE SME”) for using its name in the Offer Document for listing of our shares on the BSE SME. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

BOOK RUNNING LEAD MANAGER TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|--|-------------------|---|
|  HEM SECURITIES LIMITED | Neelkanth Agarwal | Email: ib@hemsecurities.com ; Tel. No.: +91- 022- 49060000 |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|--|-----------------|--|
|  CAMEO CORPORATE SERVICES LIMITED | Ms. K Sreepriya | Email: ipo@cameoindia.com Tel No.: +91-44-40020700/28460390 |

BID/ISSUE PERIOD

| | | |
|---|--------------------------------|-----------------------------------|
| ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]* | BID/ISSUE OPENS ON: [●] | BID/ISSUE CLOSES ON: [●]** |
|---|--------------------------------|-----------------------------------|

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

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.



TAKYON NETWORKS LIMITED

CIN: U72300UP2015PLC070649

Our Company was originally incorporated as a private limited Company under the name of "Takyon Networks Private Limited" on May 12, 2015, under the provisions of the Companies Act, 2013 with the Registrar of Companies, Uttar Pradesh, Kanpur, bearing registration number as 070649. Thereafter, our Company was converted from private limited to public limited, pursuant to a Special Resolution passed by the Shareholders of the Company at the Extraordinary general meeting held on May 30, 2024 and the name of our Company was changed from "Takyon Networks Private Limited" to "Takyon Networks Limited" vide fresh certificate of incorporation dated August 07, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U72300UP2015PLC070649.

Registered Office: CP 37, Viraj Khand Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India.

Contact Person: Pooja Sharma, Company Secretary & Compliance Officer

Tel No: +91-0522-6656617; **E-mail:** cs@takyon.co.in; **Website:** www.takyon.co.in

Promoters of our Company: Manish Kumar Sharma and Neeraj Kumar

DETAILS OF THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 37,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF TAKYON NETWORKS LIMITED ("OUR COMPANY" OR "TNL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 36,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.48% AND 25.14% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND LUCKNOW EDITION OF [●], A REGIONAL NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF LUCKNOW WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extends the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 195 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price are determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 68 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 23 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring 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 Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (BSE SME). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received an "in-principle" approval letter dated [●] from the SME Platform of BSE (BSE SME) for using its name in the Offer document for listing of our shares on the BSE SME. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited. ("BSE")

BOOK RUNNING LEAD MANAGER TO THE ISSUE



HEM SECURITIES LIMITED
Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India
Tel. No.: +91- 022- 49060000;
Fax No.: +91- 022- 22625991
Email: ib@hemsecurities.com
Investor Grievance Email: redressal@hemsecurities.com
Website: www.hemsecurities.com
Contact Person: Neelkanth Agarwal
SEBI Regn. No. INM000010981

REGISTRAR TO THE ISSUE



Cameo Corporate Services Limited
Address: Subramanian Building No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India.
Tel No.: +91-44-40020700/28460390
Email: ipo@cameoindia.com
Website: www.cameoindia.com
Investor Grievance Email: investor@cameoindia.com
Website: www.cameoindia.com
Contact Person: Ms. K Sreepriya
SEBI Registration Number: INR000003753
CIN: U67120TN1998PLC041613

ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]*

BID/ISSUE OPENS ON: [●]

BID/ISSUE CLOSES ON: [●]**

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

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring 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, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, 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 Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992 (“SCRA”), the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on 73, 123 and 223 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

| Terms | Description |
|---|---|
| “TNL”, “the Company”, “our Company”, “Issuer” and “Takyon Networks Limited” | Takyon Networks Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered Office at CP 37, Viraj Khand, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India. |
| “we”, “us” and “our” | Unless the context otherwise indicates or implies refers to our Company. |
| “you”, “your” or “yours” | Prospective investors in this Issue. |

Company-related and Conventional terms

| Term | Description |
|--|---|
| AOA/ Articles/ Articles of Association | Articles of Association of our Company, as amended from time to time. |
| Audit Committee | The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as described in the chapter titled “ Our Management ” beginning on page 107 of this Draft Red Herring Prospectus. |
| Auditors/ Statutory Auditors | The Statutory Auditors of our Company being M/s. ADV & Associates (FRN: 128045W) |
| Bankers to our Company | HDFC Bank Limited |
| Board of Directors / the Board / our Board | The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to the section titled “ Our Management ” beginning on page 107 of this Draft Red Herring Prospectus. |
| Chairman | The Chairman of our Company is Manish Kumar Sharma |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company is Vivek Singh |
| CIN | Corporate Identification Number being U72300UP2015PLC070649. |
| Companies Act/ Act | The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Pooja Sharma (M. No. A54793). |
| CSR Committee/ Corporate Social Responsibility Committee | The corporate social responsibility committee of our Board, constituted in accordance with Section 135 of the Companies Act and as described in the chapter titled “ Our Management ” beginning on page 107 of this Draft Red Herring Prospectus |
| Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DIN | Directors Identification Number. |
| Director(s)/ Our Directors | The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ Our Management ” on page 107 of this Draft Red Herring Prospectus |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996. |
| DP ID | Depository’s Participant’s Identity Number |
| Equity Shareholders/ Shareholders | Persons/ Entities holding Equity Shares of our Company. |
| Equity Shares | Equity Shares of the Company of the face value of ₹ 10/- each unless otherwise specified in the context thereof. |

| Term | Description |
|--|---|
| Executive Directors | A Director including Managing Director and Whole Time Director but not being a Non-Executive Director |
| Fugitive economic offender | Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) |
| ISIN | International Securities Identification Number, in this case, being INE14OX01013. |
| IT Act | The Income Tax Act, 1961 as amended to date. |
| Independent Director | An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see “Our Management” on page 107 of this Draft Red Herring Prospectus. |
| Key Management Personnel/ KMP | Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see the section titled “Our Management” on page 107 of this Draft Red Herring Prospectus. |
| LLP | Limited Liability Partnership |
| MOA/ Memorandum/ Memorandum of Association | Memorandum of Association of Takyon Networks Limited as amended from time to time. |
| MD or Managing Director | The Managing Director of our Company, Manish Kumar Sharma |
| Materiality Policy | The policy adopted by our Board on August 16, 2024 for the identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board is constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 107 of this Draft Red Herring Prospectus. |
| Non-Executive Director | A Director not being an Executive Director. |
| NRIs / Non-Resident Indians | A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt instruments) Rules, 2019 |
| Promoters | Shall mean promoters of our Company i.e., Manish Kumar Sharma and Neeraj Kumar. For further details, please refer to section titled “Our Promoters & Promoters Group” beginning on page 119 of this Draft Red Herring Prospectus. |
| Promoter Group | Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “Our Promoters & Promoters Group” beginning on page 119 of this Draft Red Herring Prospectus. |
| 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. |
| RBI Act | The Reserve Bank of India Act, 1934 as amended from time to time. |
| Registered Office of our Company | The Registered Office of our Company is situated at CP 37, Viraj Khand Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India. |
| Reserve Bank of India/ RBI | The Reserve Bank of India is constituted under the RBI Act. |
| Restated Financial Information | The Restated Financial statements of our Company comprising of the Restated Standalone Statement of Assets and Liabilities as at March 31, 2022, March 31, 2023 and March 31, 2024 and Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023 and March 31, 2024, the Restated Standalone Statement of Profit & Loss for the period ended on March 31, 2022, March 31, 2023 and March 31, 2024 and Restated Consolidated Statement of Profit & Loss for the year ended on March 31, 2023 and March 31, 2024 and the Restated Standalone Cash Flows Statements for the period ended March 31, 2022, March 31, 2023 and March 31, 2024 and the Restated Consolidated Cash Flows Statements for the year ended March 31, 2023 and March 31, 2024 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto. |
| RoC/ Registrar of Companies | Registrar of Companies, Kanpur, 37/17, Westcott Building, The Mall, Kanpur – 208 001, Uttar Pradesh. |
| SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI (FVCI) Regulations | Securities Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended from time to time. |
| SEBI Act/ SEBI | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |

| Term | Description |
|---|--|
| SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ SEBI (LODR) | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations or SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| Stakeholders Relationship Committee | The stakeholders' relationship committee of our Company is constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled " Our Management " beginning on page 107 of this Draft Red Herring Prospectus. |
| Stock Exchange | Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited |
| Shareholders | Shareholders of our Company from time to time. |
| Sub-Account | Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| Subscriber to MOA | Initial Subscribers to MOA being Manish Kumar Sharma and Neeraj Kumar. |

Issue Related Terms

| Terms | Description |
|--|--|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the application. |
| Allocation/ Allocation of Equity Shares | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders. |
| Allotment/Allot/Allotted | Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee (s) | A successful bidder to whom the Equity Shares are allotted. |
| Anchor Investor(s) | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period. |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bid/ Issue Period | One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed. |
| Anchor Investor Issue Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. |
| Application Supported by Block Amount (ASBA) | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism. |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism. |
| ASBA Application Location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad. |
| ASBA Bidder | Any prospective investor(s)/ Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor. |

| Terms | Description |
|---|---|
| ASBA Form/ Bid cum Application | An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus. |
| Banker to the Issue Agreement | Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue. |
| Bankers to the Issue/ Public Issue Bank/ Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●] |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful bidders under the issue and is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 195 of this Draft Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly. |
| Bid Amount | The highest value of optional Bids is indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price is multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue. |
| Bid Lot | [●] equity shares and in multiples of [●] equity shares thereafter. |
| Bid/ Issue Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders. |
| First Bidder/Applicant/Bidders | Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| Bidding | The process of making a Bid. |
| Bidding/ Collection Centers | Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs. |
| Book Building Process/ Book Building Method | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| BRLM/ Book Running Lead Manager | Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker. |
| Broker Centers | Broker Centres are notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange. |
| Business Day | Monday to Friday (except public holidays). |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange. |
| Cap Price | The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted. |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to Demat account. |

| Terms | Description |
|---|--|
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Collecting Registrar and Share Transfer Agent | Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches of the SCSBs | Such branches of the SCSBs coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange. |
| Cut Off Price | The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Demographic Details | The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation, and Bank Account details. |
| Depositor/ Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Bidder can submit the Bid-Cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e., www.bseindia.com |
| Designated Date | The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer. |
| Designated Intermediaries/ Collecting Agent | An SCSB is with whom the bank account to be blocked is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on the website of the stock exchange as eligible for this activity). |
| Designated Market Maker | Hem Finlease Private Limited |
| Designated RTA Locations | Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com |
| Designated SCSB Branches | Such branches of the SCSBs shall collect the ASBA Bid-Cum-Application Form from the Bidder and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Recognized Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996 |
| Designated Stock Exchange | BSE Limited (BSE SME i.e. SME platform of BSE) |
| DP ID | Depository Participant's Identity Number |
| Draft Red Herring Prospectus | Draft Red Herring Prospectus dated September 24, 2024 issued in accordance with Sections 26 & 32 of the Companies Act, 2013 |
| Eligible NRI | A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants. |
| Escrow Account(s) | The account(s) to be opened with the Escrow Collection Bank and in whose favor the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid. |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |

| Terms | Description |
|---|---|
| First Bidder/ Applicant/ Bidders | Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted. |
| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so specified towards a general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue-related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document. |
| General Information Document (GID) | The General Information Document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time |
| Issue Agreement | The Issue Agreement dated August 27, 2024 between our Company and Book Running Lead Manager. |
| Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO | The Initial Public Issue of upto 37,92,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs |
| Issue Price | The final price at which the Equity shares will be allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our company in consultation with BRLM on the Pricing date in accordance with the Book-Building process and the Red Herring Prospectus. |
| Issue Proceeds | Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled <i>“Objects of the Issue”</i> beginning on page 61 of this Draft Red Herring Prospectus |
| Listing Agreement | The Equity Listing Agreement is to be signed between our Company and the Stock Exchange. |
| Lot Size | [●] |
| Mandate Request | Mandate Request means a request initiated on the RII by the sponsor bank to authorize the blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Maker | Member Brokers of BSE who are specifically registered as Market Makers with the BSE (SME platform). In our case, Hem Finlease Private Limited is the sole Market Maker |
| Market-Making Agreement | The Market-Making Agreement dated August 27, 2024 between our Company, Book Running Lead Manager and Market Maker, Hem Finlease Private Limited. |
| Market Maker Reservation Portion | The reserved portion of 1,92,000 Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Mutual Fund Portion | 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 36,00,000 equity Shares of ₹10/- each at a price of ₹[●] per Equity Share (the “Issue Price”), including a share premium of ₹[●] per equity share aggregating to ₹[●] Lakhs. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors |
| Non- Resident | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs |
| Net Proceeds | The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue Expenses, please refer to the section titled <i>“Objects of the Issue”</i> beginning on page 61 of this Draft Red Herring Prospectus. |
| Non-Institutional Bidders | All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |

| Terms | Description |
|---|---|
| Non-Institutional Portion | The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price. |
| Non – Resident | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs |
| Other Investor | Investors other than Retail Individual Investors. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Overseas Corporate Body/ OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Pay-in-Period | The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Issue Price. |
| Prospectus | The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Sections 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information. |
| Public Issue Account | Account to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts and from the Escrow Accounts in case of Anchor Investor(s), on the Designated Date. |
| QIB Category/ QIB Portion | The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors). |
| Qualified Institutional Buyers/ QIBs/ QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Red Herring Prospectus/ RHP | The Red Herring Prospectus is to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account | The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made. |
| Refund Bank/ Refund Banker | Bank which is/are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]. |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable. |
| Registered Broker | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership either BSE having a right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange. |
| Registrar/ Registrar to the Issue/ RTA/ RTI | Registrar to the Issue, in this case being Cameo Corporate Services Limited. |
| Registrar Agreement | The agreement dated September 02, 2024 entered into between 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. |

| Terms | Description |
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| Refund Account(s) | Accounts to which the monies to be refunded to the Bidders are transferred from the Public Issue Account in case listing of the Equity Shares does not occur. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Regulation S | Regulation S under the U.S. Securities Act of 1933, as amended from time to time. |
| Reservation Portion | The portion of the Issue is reserved for the category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2018. |
| Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs | Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and do not include NRIs other than Eligible NRIs). |
| Retail Portion | The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders. |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI. |
| SEBI SAST/ SEBI (SAST) Regulations | SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offers the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| SEBI (FPI) Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. |
| SME Exchange | SME Platform of the BSE Limited i.e., “BSE SME” |
| SEBI (PFUTP) Regulations/ PFUTP Regulations | SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 |
| Specified Securities | Equity shares are offered through this Draft Red Herring Prospectus. |
| Sponsor Bank | Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI. |
| Securities Laws | Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board. |
| Sub Syndicate Member | A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue. |
| Syndicate | Includes the BRLM, Syndicate Members and Sub Syndicate Members. |
| Syndicate Agreement | The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue. |
| Syndicate ASBA Bidding Locations | Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| Syndicate Members/ Members of the Syndicate | Intermediaries registered with SEBI are eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●]. |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| Transaction Registration Slip/ TRS | The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Bidder as proof of registration of the Application. |
| Underwriter | The BRLM has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time. |
| Underwriting Agreement | The Agreement dated August 27, 2024 entered between the Underwriter, BRLM and our Company. |
| UPI | UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allows instant transfer of money between any two bank accounts using a payment address that uniquely identifies a person's bank account |

| Terms | Description |
|--|--|
| UPI Circulars | SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard. |
| UPI ID | ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI) |
| UPI ID Linked Bank Account | Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment. |
| UPI Mandate Request/ Mandate Request | A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by the sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| UPI PIN | Password to authenticate UPI transaction |
| UPI Mechanism | The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Venture Capital Fund/VCF | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| Wilful Defaulter(s) or a fraudulent borrower | Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations. |
| Working Day | In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– announcement of Price Band; and Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

Technical and Industry-Related Terms

| Term | Description |
|-------------|--|
| EMDE | Emerging Market and Developing Economies |
| LICs | Low Income Countries |
| FRE | First Revised Estimates |
| HFI | High Frequency Indicators |
| CAD | Current Account Deficit |
| PMI | Purchasing Managers Index |
| PE-VC | Private Equity and Venture Capital |
| TTDF | Telecom Technology Development Fund |
| USOF | Universal Service Obligation Fund |
| DPA | Deendayal Port Authority |
| BOT | Build Operate Transfer |
| PPP | Public Private Partnership |
| AI | Artificial Intelligence |
| AIDef | AI in Defense |
| FTA | Free Trade Agreement |
| CEPA | Comprehensive Partnership Agreement |
| IndAus ECTA | India-Australia Economic Cooperation and Trade Agreement |
| CPI-C | Common Programming Interface for Communications |

| Term | Description |
|-------------|---|
| Nasscom | National Association of Software and Service Companies |
| AWS | Amazon Web Services |
| BPO/ITeS | Business Process Outsourcing / Information Technology Enabled Services |
| BRICs | Brazil, Russia, India, China, and South Africa |
| MeitY | Ministry of Electronics and Information and Technology |
| BFSI | Banking, Financial Services, and Insurance |
| BPM | Business Process Management |
| SMAC | social, mobility, analytics, cloud |
| IaaS | Infrastructure as a Service |
| Paas | Platform as a service |
| SAARC | South Asian Association for Regional Cooperation |
| GIC | global innovation centre |
| DSCI | Data Security Council of India |
| NCoE | National Centre of Excellence for Cyber Security Technology Development |
| CERT-In | Indian Computer Emergency Response Team |
| IAMAI | Internet and Mobile Association of India |
| a-iTrust | Ascends India Trust |
| IAIC | India AI Innovation Centre |
| NOC | Network Operations Centre |
| ISP | Internet Service Providers |
| IDS | Intrusion Detection System |
| CMMI | Capability Maturity Model Integration |
| AV | Audio Visual |
| MPGENCO | Madhya Pradesh Power Generating Company Limited |
| UTP | Unshielded Twisted Pair |
| LAN | Local Area Network |
| WAN | Wide Area Network |
| DDOS | Distributed Denial of Service |
| OEM | Original Equipment Manufacturer |
| UPDESCO | Uttar Pradesh Development Systems Corporation |
| UPELC | Uttar Pradesh Electronics Corporation Limited |
| SI | System Integrator |
| UPRNN | Uttar Pradesh Rajkiya Nirman Nigam |
| CCTV | Closed Circuit Television |
| ISRP | Incident Security Response Portal |
| ANPR | Automatic Number Plate Recognition |
| FRS | Facial Recognition System |
| RLVD | Roadside License Vehicle Detection |

Conventional terms and Abbreviations

| Abbreviation | Full Form |
|--------------------------|--|
| Rs. / Rupees/ INR/ ₹ | Indian Rupees, the legal currency of the Republic of India |
| AS / Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| ASBA | Applications Supported by Blocked Amount |
| AMT | Amount |
| AIF | Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended. |
| AY | Assessment Year |
| AOA | Articles of Association |
| Approx | Approximately |
| B.A. | Bachelor of Arts |
| B.Com | Bachelor of Commerce |
| B.E. | Bachelor of Engineering |
| B.Sc | Bachelor of Science |
| B.Tech | Bachelor of Technology |
| Bn | Billion |
| BG/ LC | Bank Guarantee / Letter of Credit |

| Abbreviation | Full Form |
|---------------------------|---|
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE | BSE Limited |
| BRLM | Book Running Lead Manager |
| CDSL | Central Depository Services (India) Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation of Allocation Note |
| Companies Act, 2013 | Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended. |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder |
| CA | Chartered Accountant |
| CAIIB | Certified Associate of Indian Institute of Bankers |
| CB | Controlling Branch |
| CC | Cash Credit |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CS | Company Secretary |
| CS & CO | Company Secretary & Compliance Officer |
| CFO | Chief Financial Officer |
| CSR | Corporate Social Responsibility |
| C.P.C. | Code of Civil Procedure, 1908 |
| CrPC | Code of Criminal Procedure, 1973 |
| CENVAT | Central Value Added Tax |
| CST | Central Sales Tax |
| CWA/ICWA | Cost and Works Accountant |
| CMD | Chairman and Managing Director |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings Before Interest, Taxes, Depreciation & Amortization |
| ECS | Electronic Clearing System |
| ESIC | Employee's State Insurance Corporation |
| EPFA | Employee's Provident Funds and Miscellaneous Provisions Act, 1952 |
| EMI | Equated Monthly Installment |
| EPS | Earnings Per Share |
| EGM /EOGM | Extraordinary General Meeting |
| ESOP | Employee Stock Option Plan |
| EXIM/ EXIM Policy | Export – Import Policy |
| FCNR Account | Foreign Currency Non-Resident Account |
| FIPB | Foreign Investment Promotion Board |
| FY/ Fiscal/Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| FEMA | Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under. |
| FCNR Account | Foreign Currency Non-Resident Account |
| FBT | Fringe Benefit Tax |
| FDI | Foreign Direct Investment |
| FIs | Financial Institutions |
| FIIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FPIs | “Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992 |
| FTA | Foreign Trade Agreement |
| FVCI | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| FEMA | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Finance Act | Finance Act, 1994 |

| Abbreviation | Full Form |
|---------------------|--|
| Fraudulent Borrower | A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| FV | Face Value |
| GoI/ Government | Government of India |
| GDP | Gross Domestic Product |
| GST | Goods and Services Tax |
| GVA | Gross Value Added |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual |
| HSL | Hem Securities Limited |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| ICWAI | The Institute of Cost Accountants of India |
| IMF | International Monetary Fund |
| IIP | Index of Industrial Production |
| IPO | Initial Public Offer |
| ICSI | The Institute of Company Secretaries of India |
| IT | Information Technology |
| IT Act | Information Technology Act, 2000 |
| IFRS | International Financial Reporting Standards |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| IT Authorities | Income Tax Authorities |
| IT Rules | Income Tax Rules, 1962, as amended, except as stated otherwise |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Ind AS | Indian Accounting Standards as referred to in and notified by the Ind AS Rules |
| Ind AS Rules | The Companies (Indian Accounting Standard) Rules, 2015 |
| IRDA | Insurance Regulatory and Development Authority |
| KMP | Key Managerial Personnel |
| LLB | Bachelor of Law |
| Ltd. | Limited |
| LLP | Limited Liability Partnership |
| MAT | Minimum Alternate Tax |
| MoF | Ministry of Finance, Government of India |
| MoU | Memorandum of Understanding |
| M. A | Master of Arts |
| MCA | Ministry of Corporate Affairs, Government of India |
| M. B. A | Master of Business Administration |
| MAT | Minimum Alternate Tax |
| M. Com | Master of Commerce |
| Mn | Million |
| M. E | Master of Engineering |
| M. Tech | Masters of Technology |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MSME | Micro, Small and Medium Enterprises |
| MAPIN | Market Participants and Investors Database |
| NA | Not Applicable |
| NCLT | National Company Law Tribunal |
| Net worth | The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account |
| NACH | National Automated Clearing House |
| NEFT | National Electronic Funds Transfer |
| NECS | National Electronic Clearing System |
| NAV | Net Asset Value |
| NCT | National Capital Territory |
| NPV | Net Present Value |
| NRI | Non-Resident Indians |
| NRE Account | Non-Resident External Account |
| NRO Account | Non-Resident Ordinary Account |

| Abbreviation | Full Form |
|--|---|
| NSE | National Stock Exchange of India Limited |
| NOC | No Objection Certificate |
| NSDL | National Securities Depository 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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue. |
| P.A. | Per Annum |
| PF | Provident Fund |
| PG | Post Graduate |
| PGDBA | Post Graduate Diploma in Business Administration |
| PLR | Prime Lending Rate |
| PAC | Persons Acting in Concert |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| P.O. | Purchase Order |
| PBT | Profit Before Tax |
| PLI | Postal Life Insurance |
| POA | Power of Attorney |
| PSU | Public Sector Undertaking(s) |
| Pvt. | Private |
| Q.C. | Quality Control |
| RoC | Registrar of Companies |
| RBI | The Reserve Bank of India |
| Registration Act | Registration Act, 1908 |
| ROE | Return on Equity |
| R&D | Research & Development |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SME | Small and Medium Enterprises |
| SCSB | Self-Certified syndicate Banks |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended. |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time. |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time. |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| SEBI (PFUTP) Regulations / PFUTP Regulations | Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 |
| SEBI Regulations/ SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. |
| SEBI SBEBWE Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. |
| SEBI Takeover Regulations / Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time. |
| STT | Securities Transaction Tax |
| Sub-Account | Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| Sec. | Section |
| SENSEX | Bombay Stock Exchange Sensitive Index |
| SICA | The Sick Industrial Companies (Special Provisions) Act, 1985 |

| Abbreviation | Full Form |
|----------------------|--|
| SSI | Small Scale Industry |
| SPV | Special Purpose Vehicle |
| TAN | Tax Deduction Account Number |
| TRS | Transaction Registration Slip |
| Trade Marks Act | Trade Marks Act, 1999 |
| TIN | Taxpayers Identification Number |
| UIN | Unique identification number |
| U.N. | United Nations |
| US/United States | United States of America |
| U.S. Securities Act | The United States Securities Act, 1933 |
| USD/ US\$/ \$ | United States Dollar, the official currency of the Unites States of America |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCF | Venture Capital Funds |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may Be. |
| Willful Defaulter(s) | Company or person categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and included any company whose director or promoter is categorized as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018. |
| WDV | Written Down Value |
| WTD | Whole Time Director |
| w.e.f. | With effect from |
| -, (₹) | Represent Outflow |

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

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

Certain Conventions

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refer to Takyon Networks Limited. All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refer to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crores”. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial information prepared for the Financial year March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with Accounting Standards (Indian GAAP), the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 123 of this Draft Red Herring Prospectus.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Statutory Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 123 of this Draft Red Herring Prospectus. As on date of the Draft Red Herring Prospectus we do not have any subsidiary or associate company. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 223 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources. In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 68 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

Currency of Financial Presentation

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

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management's Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 23, 85 and 159 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Draft Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus that contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which 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 to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes;
3. Failure to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technologies and the industries we focus on;
4. Pricing pressure due to intense competition in the market for IT Services;
5. Any change in government policies resulting in increases in taxes payable by us;
6. Dependency on a limited number of clients for a significant portion of our revenues;
7. Our ability to retain our key managements persons and other employees;
8. Changes in laws and regulations that apply to the industries in which we operate;
9. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
10. Our ability to grow our business;
11. General economic, political and other risks that are out of our control;
12. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. Inability to successfully obtain registrations in a timely manner or at all;
15. Occurrence of Environmental Problems & Uninsured Losses;
16. Regulatory, legislative or self-regulatory developments regarding data protection;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved
19. Concentration of ownership among our Promoters; and
20. The performance of the financial markets in India and globally.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 23, 85 and 159 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SECTION II- SUMMARY OF DRAFT RED HERRING PROSPECTUS

A. OVERVIEW OF BUSINESS

We are in the business of providing comprehensive networking and IT infrastructure solutions, serving a diverse range of clients, including government agencies and corporate enterprises. Our services include IT networking solutions, data center solutions, IT security and surveillance, cloud and managed services. We also offer maintenance and support services to our clients through formal contracts, providing expert technical support.

B. OVERVIEW OF THE INDUSTRY

The IT industry accounted for 7.5% of India's GDP, as of FY23. India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's GDP. The IT industry added 2.9 lakh new jobs taking the industry's workforce tally to 5.4 million people in FY23. India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's gross domestic product (GDP), Infomercials Ratings said in a report. According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth and was estimated to have touched US\$ 245 billion in FY23. As per a survey by AWS (2021), India is expected to have nine times more digitally skilled workers by 2025. This indicates that a total of ~ 3.9 billion digital skill trainings are expected by 2025. India will need 30 million digitally skilled professionals by 2026.

C. PROMOTERS

Manish Kumar Sharma and Neeraj Kumar are the promoters of the Company.

D. DETAILS OF THE ISSUE

This is an Initial Public Issue of upto 37,92,000 Equity Shares of the face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs ("The Issue"), out of which 1,92,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] 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 36,00,000 Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the "Net Issue". The Issue⁽¹⁾ and Net Issue will constitute 26.48% and 25.14% respectively of the post-issue paid-up Equity Share capital of our Company.

(1) The Issue has been authorized by our Board pursuant to a resolution passed on August 13, 2024 and the Issue has been authorized by our Shareholders pursuant to a resolution passed on August 14, 2024

E. OBJECTS OF THE ISSUE

Our Company intends to utilize the net proceeds of the Issue to meet the following objects:-

| Sr. No | Particulars | Amt (Rs. in Lacs) |
|--------|---|-------------------|
| 1 | To Meet Working Capital Requirements; | [●] |
| 2 | Repayment of a portion of certain borrowing availed by our Company; | 300.00 |
| 3 | General Corporate Purpose | [●] |
| | Total | [●] |

For further details please refer to the chapter titled "Object of the Issue" beginning on page 61 of this Draft Red Herring Prospectus

F. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,05,30,000 Equity shares of our Company aggregating to 100.00% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Red Herring Prospectus:

| Sr. No. | Names | Pre IPO | | Post IPO | |
|---------|-----------------------|--------------------|---------------|--------------------|---------------|
| | | Shares Held | % Shares Held | Shares Held | % Shares Held |
| | Promoters | | | | |
| 1. | Manish Kumar Sharma | 52,64,700 | 49.99 | 52,64,700 | [●] |
| 2. | Neeraj Kumar | 52,64,700 | 49.99 | 52,64,700 | [●] |
| | Sub Total (A) | 1,05,29,400 | 99.98 | 1,05,29,400 | [●] |
| | Promoter Group | | | | |
| 3. | Pankaj Kumar | 150 | Negligible | 150 | [●] |
| 4. | Bishun Chowdhary | 150 | Negligible | 150 | [●] |

| | | | | | |
|----|--------------------------|--------------------|-------------------|--------------------|-----|
| 5. | Nidhi Sharma | 100 | Negligible | 100 | [●] |
| 6. | Pushpa Sharma | 100 | Negligible | 100 | [●] |
| 7. | Shalini Joshi | 100 | Negligible | 100 | |
| | Sub Total (B) | 600 | Negligible | 600 | [●] |
| | Grand Total (A+B) | 1,05,30,000 | 100.00 | 1,05,30,000 | [●] |

SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|----------------|
| Equity Share Capital | 351.00 | 351.00 | 351.00 |
| Net worth | 2,826.55 | 2,286.44 | 2,005.27 |
| Total Income | 10,824.54 | 6,396.60 | 5,928.53 |
| Profit after tax | 522.31 | 281.17 | 329.63 |
| Earnings per Share | 4.96 | 2.67 | 3.13 |
| Net Asset Value per Share (Based on Weighted Average Number of Shares) | 26.84 | 21.71 | 19.04 |
| Total Borrowings (including current maturities of long-term borrowings) | 1,836.56 | 1,863.75 | 531.61 |

G. AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the restated financial statements.

H. SUMMARY OF OUTSTANDING LITIGATIONS

Litigations/ Matters involving our Company:

| Nature of Litigation | Number of Cases Outstanding | Amount in dispute/demanded to the extent ascertainable (Amount in Lakhs) |
|------------------------------------|-----------------------------|--|
| <i>Filed by the Company</i> | | |
| Other pending material litigations | - | - |
| <i>Against the Company</i> | | |
| Criminal proceedings | - | - |
| Other pending material litigations | - | - |
| Tax Proceedings (Direct Tax) | 4 | 30.25* |
| Tax Proceedings (Indirect Tax) | - | - |

Litigations/ Matters against our Promoters and Directors:

| Nature of Litigation | Number of Cases Outstanding | Amount in dispute/demanded to the extent ascertainable (Amount in Lakhs) |
|--|-----------------------------|--|
| <i>Filed by the Promoters and Directors</i> | | |
| Criminal proceedings | - | - |
| Other pending material litigations | - | - |
| <i>Against the Promoters and Directors</i> | | |
| Tax Proceedings (Direct Tax) | 5 | 12.61* |
| Tax Proceedings (Indirect Tax) | - | - |

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus.

I. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “*Risk Factors*” beginning on page 23 of this Draft Red Herring Prospectus.

J. SUMMARY OF CONTINGENT LIABILITIES

(₹ In lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|--------|------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Guarantees given to suppliers/ principals by the bankers (INR) | 1,065.98 | 867.04 | 383.04 |

| | | | |
|--------------|-----------------|---------------|---------------|
| Income Tax | 29.35 | 29.35 | 29.35 |
| TDS | 0.90 | - | - |
| TOTAL | 1,096.23 | 896.39 | 412.39 |

For further details, please refer to ANNEXURE – XXX – Contingent Liabilities of the chapter titled “Financial Information of the Company” on page 148 of this Draft Red Herring Prospectus.

K. SUMMARY OF RELATED PARTY TRANSACTIONS

(i) Names of the related party and nature of relationship where control/significant influence exists

Key management personnel (KMP) and their close members of family

| Name of the related party | Nature of relationship |
|---|---------------------------|
| Key Management Personnel & Directors | |
| Manish Sharma Kumar | Managing Director |
| Neeraj Kumar | Whole-time Director & CEO |
| Nikhil Laxman Buran | Executive Director |
| Paresh Goyal | Executive Director |
| Ashwani Jaiswal | Non Executive Director |
| Swati Singh | Non Executive Director |
| Sarita Paswan | Non Executive Director |
| Vivek Singh | CFO |
| Pooja Sharma | Company Secretary |
| Relatives of KMP | |
| Nidhi Sharma | Relative of KMP |
| Sarita Kumari | Relative of KMP |
| Minakshi Goyal | Relative of KMP |
| Priya Nikhil Buran | Relative of KMP |
| Neha Singh | Relative of KMP |

(ii) Entity controlled or jointly controlled by a person identified in (i) above

M/s Takyon Networks
M/s Finopolis Consultants LLP

(iii) Details of transactions with related parties and balances

(Rs. In Lakhs)

| Name | Relationship | Nature of transaction | 31 March 2024 | | 31 March 2023 | | 31 March 2022 | |
|---------------------|------------------------------|-----------------------|---------------------------------------|---|---------------------------------------|---|---------------------------------------|---|
| | | | Amount of transaction during the year | Balance as at 31 March 2024 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2023 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2022 Receivables/ (Payables) |
| Manish Sharma Kumar | Chairman & Managing Director | Salary | 68.40 | - | 67.29 | - | 67.22 | -4.00 |
| | | Incentive | - | - | 18.71 | -3.58 | 7.10 | |
| | | Rent | 12.91 | - | 12.91 | - | 12.91 | |
| | | Salary | - | - | - | - | - | |
| | | Loan Taken | - | - | - | - | 54.88 | |
| | | Loan Repaid | - | - | - | - | 54.88 | |
| Neeraj Kumar | Whole-time Director & CEO | Salary | 74.93 | -3.27 | 69.16 | -1.99 | 68.77 | -4.00 |
| | | Incentive | - | - | - | - | 22.60 | |
| | | Rent | 12.91 | - | 12.91 | - | 12.91 | |
| | | Loan Taken | - | - | - | - | 40.94 | |
| | | Loan Repaid | - | - | - | - | 40.94 | |
| Nikhil Laxman Buran | Executive Director | Salary | 48.79 | - | 33.86 | -7.36 | 23.40 | -1.56 |
| | | Incentive | - | - | 21.26 | - | 15.00 | |
| Paresh Goyal | Executive Director | Professional Fee | 14.90 | -0.99 | 13.80 | -1.04 | 4.60 | -1.04 |
| | | Loan Taken | 20.00 | -36.00 | - | -16.00 | 6.00 | -16.00 |
| | | Loan Repaid | - | - | - | - | - | - |
| Nidhi Sharma | Relative of KMP | Salary | 8.00 | - | 10.50 | -1.00 | 6.00 | -0.50 |

| | | | | | | | | |
|--------------------------------|--|-------------------------|-------|-------|-------|-------|-------|-------|
| | | Loan Given | 0.00 | | 2.53 | | 2.10 | |
| | | Loan Repayment Received | 6.00 | 18.82 | 4.50 | 24.82 | 4.00 | 26.79 |
| Vivek Singh* | CFO | Professional fees | 6.30 | -0.90 | 8.10 | -0.02 | 12.40 | -0.69 |
| Sarita Kumari | Relative of KMP | Salary | 8.00 | - | 10.50 | -0.50 | 6.00 | -0.50 |
| | | Loan Given | - | | 3.50 | | | |
| | | Loan Repayment Received | 5.50 | 11.09 | 4.50 | 16.59 | 7.50 | 17.59 |
| Minakshi Goyal | Relative of KMP | Salary | 6.72 | - | 6.72 | -0.56 | 2.24 | -0.56 |
| Priya Nikhil Buran | Relative of KMP | Site Expenses | - | - | - | - | 2.00 | - |
| Neha Singh | Relative of KMP | Salary | 9.00 | -0.75 | 7.35 | -0.65 | 2.00 | -0.50 |
| M/s. Takyon Networks | Entity controlled or jointly controlled by KMP | Loan Given | 8.71 | | 1.55 | | 7.52 | |
| | | Loan repayment received | 10.25 | - | 0.85 | 1.55 | 9.07 | 0.85 |
| M/s. Finepolis Consultants LLP | Entity controlled or jointly controlled by KMP | Manpower Charges | 16.35 | - | 16.50 | -1.78 | 2.50 | - |

*Vivek Singh was appointed as Chief Financial officer of the company with effect from the August 13, 2024 vide Board resolution dated August 13, 2024

For further details, please refer to the **Note XXXI – Related Party Disclosures** of chapter titled **“Financial Information of the Company”** on page 148 of this Draft Red Herring Prospectus.

L. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

M. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN THE LAST ONE YEAR

| Sr. No. | Name of Promoters | Total No. of Equity Shares | Weighted Average Price* (in ₹ per equity share) |
|---------|---------------------|----------------------------|---|
| 1. | Manish Kumar Sharma | 35,10,000 | Nil |
| 2. | Neeraj Kumar | 35,10,000 | Nil |

* Pursuant to allotment of Bonus Issue in the ratio of 2:1 i.e. Two (2) Bonus Equity Shares for every One (1) Equity Shares held by shareholders vide Board Resolution dated May 03, 2024.

N. AVERAGE COST OF ACQUISITION OF SHARES

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

| Sr. No. | Name of the Promoters | No. of Shares held | Average cost of Acquisition (in ₹) |
|---------|-----------------------|--------------------|------------------------------------|
| 1. | Manish Kumar Sharma | 52,64,700 | 3.33 |
| 2. | Neeraj Kumar | 52,64,700 | 3.33 |

O. PRE IPO-PLACEMENT

Our Company is not considering any Pre-IPO placement of equity shares of the Company.

P. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Benefits Accrued to our Company | Name of Allottees | No. of Shares Allotted |
|-------------------|-------------------------|----------------|-----------------|--|--------------------------------------|-------------------------------------|------------------------|
| May 03, 2024 | 70,20,000 | 10.00 | Nil | Bonus Issue in the ratio of 2:1 i.e. Two (2) Bonus Equity Shares | Capitalization of Reserves & Surplus | Manish Kumar Sharma Neeraj Kumar | 35,10,000 35,10,000 |

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Benefits Accrued to our Company | Name of Allottees | No. of Shares Allotted |
|--------------------------|--------------------------------|-----------------------|------------------------|--|--|--------------------------|-------------------------------|
| | | | | for every One (1) Equity Shares held by shareholders | | TOTAL | 70,20,000 |

**The above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of the revaluation reserve has been utilized for the purpose*

Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES

Our company has not undertaken a split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring prospectus.

R. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

SECTION III- RISK FACTORS

An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 123, 85 and 159 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.

Materiality

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

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” beginning on page 23 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 159 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Audited Financial Statements, as restated**” prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).

INTERNAL RISK FACTORS

1. **We are heavily reliant on a few vendors/ suppliers and we typically do not enter into long term contracts or arrangements with our vendors. Any loss of such vendors / suppliers or any increase in the price will have a material adverse impact on our business and our revenue**

We are heavily reliant on few vendors/suppliers for purchase of inter alia IT equipment’s such as switches, routers, wireless devices, Wi-Fi devices, security devices in order to cater the needs of our customers and provide our tailored IT solutions across various Customer Industries. During the period ended in Fiscal 2024, Fiscal 2023 and Fiscal 2022, cost of purchase of inter alia IT products, spare parts and related accessories and cloud space, from our top 10 vendors/suppliers aggregated ₹ 6,742.51 lakhs, ₹ 5,091.72 lakhs, and ₹ 3,321.52 lakhs, constituting 64.16%, 71.15% and 74.72% respectively, of our total expenses.

Further, we typically place purchase orders with our vendors for the purchase of the aforementioned products and do not enter into long term of contracts or arrangements with our vendors. We cannot assure you that we will be retain any of our top 10 vendors or be able to place purchase orders on favorable terms with our existing top 10 vendors. Further, we may not be able to find a suitable replacement for any of our existing top 10 vendors. Our inability to maintain our relationship with our existing top 10 vendors and/or failure to procure equipment from vendors/suppliers on favorable terms may have an adverse effect on our revenue, results of operation and would have an impact on our financial condition. Further, our margins and profitability will be adversely affected if, and to the extent, we are unable to pass on the price escalation in our input materials to our customers.

2. Our financial condition could be materially and adversely affected if we fail to secure new government and PSU projects.

As part of our business, we bid for projects on an ongoing basis. These projects are awarded through competitive bidding processes and require satisfaction of prescribed pre-qualification criteria. While factors such as service quality, technological capacity, performance, health and safety records, personnel reputation, experience, and financial resources are important considerations in client decisions, there is no assurance that we will meet these qualification criteria, especially for large development projects, whether managed independently or in collaboration with our partners.

Furthermore, even if we meet the pre-qualification requirements, projects are typically awarded based on the lowest bid. We cannot guarantee that we will choose to submit a bid even if we qualify, or that our bids, whether submitted or already submitted, will be accepted.

If we are unable to pre-qualify independently for large projects, we may need to partner with other companies to bid. If we cannot form such partnerships or lack the credentials to be a preferred partner, we may miss out on bidding opportunities for large projects, potentially affecting our growth plans.

Additionally, the tender processes conducted by the government and PSUs may be subject to changes in qualification criteria, unexpected delays, and uncertainties. There is no assurance that the projects we bid for will be tendered within a reasonable timeframe, if at all. The growth of our business largely depends on our ability to secure new contracts in our operating sectors. Predicting whether and when we will be awarded a new contract is generally very difficult. Consequently, our future results of operations and cash flows may fluctuate materially from period to period based on the timing of contract awards.

3. A Significant proportion of our orders are from government related entities which award the contract through the process of tender. Tenders, typically, are awarded to the lower bidder once all other eligibility criteria are met. Our performance could be adversely affected if we are not able to successfully bid for these contracts or required to lower our bid value.

Our business is substantially dependent on contracts undertaken by various government bodies, government entities, and government institutions of the government of India (**Government customers**) including, inter alia, various Public sector undertakings and other entities funded by the Government. A vast majority of contract awarded by Government Customers are tender based. We compete with various companies while submitting the tender for these contracts. Set out in the table below are details of our revenues from operations from Government customers:-

(Rupees in Lakhs excepts percentage)

| Verticals | As of and for the year/period ended (Based on Standalone financial statement) | | | | | |
|--------------|---|---------------|-----------------|---------------|-----------------|---------------|
| | March 31, 2024 | % | March 31, 2023 | % | March 31, 2022 | % |
| Govt. | 5,930.03 | 59.36 | 4,245.73 | 65.11 | 3,212.58 | 54.40 |
| Non- Govt. | 4,059.27 | 40.64 | 2,274.90 | 34.89 | 2,692.98 | 45.60 |
| Total | 9,989.30 | 100.00 | 6,520.63 | 100.00 | 5,905.56 | 100.00 |

4. We depend on few Customer Industries for majority of our revenue from operations. Loss of customers in these Customer industries may result in an adverse effect on our business, revenue from operations and financial conditions.

Our range of customized offerings and our ability to specifically tailor solutions to the specific needs of customers have enabled us to garner prominent customers across industries and we count leading public and private sector undertakings across diverse customer industries such as Public administration, IT & ITes, Energy, Public infrastructure, Railways, Education. (**Customer Industries**)

(Rupees in Lakhs excepts percentage)

| Customer Industries | As of and for the year/period ended (Based on Standalone financial statement) | | | | | |
|---|---|---------------|-----------------|---------------|-----------------|---------------|
| | March 31, 2024 | % | March 31, 2023 | % | March 31, 2022 | % |
| Public Administration | 4,198.10 | 42.03 | 2415.22 | 37.04 | 2638.19 | 44.67 |
| IT & ITES | 1,995.72 | 19.98 | 794.63 | 12.19 | 2123.67 | 35.96 |
| Energy | 1,380.20 | 13.82 | 971.06 | 14.89 | 67.68 | 1.15 |
| Public Infra | 835.40 | 8.36 | 336.92 | 5.17 | 37.59 | 0.64 |
| Railways | 403.71 | 4.04 | 631.18 | 9.68 | 380.69 | 6.45 |
| Education | 353.65 | 3.54 | 659.18 | 10.11 | 396.64 | 6.72 |
| Defense | 286.71 | 2.87 | 120.96 | 1.86 | 9.96 | 0.17 |
| Others (Real Estate, Food & Beverages, Health Pharmacy, BFSI, Automobile, Media, Hospitality, Security) | 535.81 | 5.36 | 591.48 | 9.07 | 251.14 | 4.25 |
| Total | 9,989.30 | 100.00 | 6,520.63 | 100.00 | 5,905.56 | 100.00 |

Our commercial success also depends to a large extent on the success of our customers, therefore, our sales may be adversely affected by any downturn in sales of such industries or specifically, our customers. Therefore, our business operations, revenue from operations and financial condition may be adversely affected, as a result of, *inter alia*, decline in demand of our services including due to the emergence of cost effective and, or, if entities in the Customer Industries move towards developing our solutions in-house, macro-economic conditions affecting these Customer Industries, increase in competition, pricing pressures, and change in government policies and regulatory action. Any or all of these factors may have an adverse effect on our business prospects, and sales of our solution offerings could decline substantially. Further, we cannot assure you that the sales to the other Customer Industries will increase or be sufficient to off-set any reduction in revenue from our currently largest revenue generating Customer Industries.

5. *Any increase in the cost of, or a shortfall in the supply of IT Equipment's, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition*

For Turnkey IT solutions, the procurement of IT equipment such as switches, routers, wireless devices, Wi-Fi devices, security devices, etc., depends on the terms of the awarded contract. The price and availability of these products depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for these materials, production and transportation costs, duties and taxes, and trade restrictions. We usually do not enter into long-term supply contracts with any of our suppliers and typically place orders with them only after firm orders are received. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of products that we require. If we are unable to compensate for or pass on our increased costs to end customers, such price increases could have an adverse impact on our results of operations, financial condition, and cash flows. We also face the risk that one or more of our existing suppliers may discontinue their supplies to us. Any inability on our part to procure products from alternate suppliers in a timely fashion, or on terms acceptable to us, may adversely affect our operations.

6. *There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Some of our corporate records are not traceable. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.*

There are a few discrepancies in our corporate records related to e-forms filed with the Registrar of Companies. These discrepancies include clerical errors in the annual returns filed by our Company with the ROC in past years. For instance, Cash Flow statements are not attached to the AOC-4, MGT-8 is not attached to form MGT-7 for FY 2021-22 and there are some errors in forms filed for Appointment of statutory auditor such as term of appointment and date of meeting of appointment not mentioned properly. Apart from these, there are some clerical errors in Board Reports filed for previous years such as section references were not made as per Companies Act, 2013 and no proper disclosures were made for board meetings. We have also observed some discrepancies in relation to appointment of Directors like: improper resolutions due to clerical errors were attached in e-forms.

Further, Our Company has not filed consolidated financial Statements for the financial year 2022-23 with its then subsidiary company, TNPL IT Services Private Limited which inter-alia includes non-compliance of section 129 and 137 of the Companies Act, 2013 and AS-21 as per Indian GAAP. However, our company has now prepared Audited Consolidated financial statements of the company for the FY 22-23 and FY 23-24 for the purpose of compilation of the same in the restated financial statements. Accordingly, we have presented the Consolidated Financial Statements of FY 2022-23 and 2023-24 in the restated financial statements.

Further, our Company has not filed Form CHG-1 for creation of charge on certain vehicle loan taken in the past, which is non-compliance of section 77 of the Companies Act, 2013 read with rules made thereunder and is subject to penalty under section 86 of the Companies Act, 2013.

Our Company has failed to comply with the provisions of section 135 of the Companies Act, 2013 to spend on CSR expenses for the FY 2020-21, which is in non-compliance of section 135 of the Companies Act, 2013 read with rules made thereunder which is subject to the penalty under section 135(7) of the Companies Act, 2013 which states that the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.

Further, The Company has identified discrepancies in its corporate records concerning unsecured loans obtained from its partnership firm, Takyon Network. This transaction was non-compliant with Section 73 of the Companies Act, 2013, which regulates the acceptance of deposits from the public. Although, the loan was repaid during the financial year 2020-2021. Additionally, the Company has extended loans and advances to the same partnership firm. As of the date of the Draft Red Herring Prospectus, there are no outstanding balances with Takyon Network; however, this past lending activity raises concerns regarding compliance with Section 185 of the Companies Act, which governs loans to directors and related parties.

Although, no show cause notice in respect of the non-compliances has been received by the Company till date, any penalty imposed for such non-compliance in future by the any regulatory authority could affect our financial conditions to that extent. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our

business and reputation. Our company has not complied with certain Accounting Standards such as AS-21 and AS-15 however the same have been duly complied by the company in the restated financial statements. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

7. *If we cannot attract and retain highly-skilled IT professionals, our ability to obtain, manage and staff new projects and to continue to expand existing projects may result in loss of revenue and an inability to expand our business.*

Our ability to execute and expand existing projects and obtain new customers depends largely on our ability to hire, train and retain highly-skilled IT professionals, particularly project managers, IT engineers and other senior technical personnel. Given our recent growth and strong demand for IT professionals from our competitors, we cannot assure you that we will be able to hire or retain the number of technical personnel necessary to satisfy our current and future customer needs. We also may not be able to hire and retain enough skilled and experienced IT professionals to replace those who leave. If we have to replace personnel who have left our employment, we will incur increased costs not only in hiring replacements but also in training such replacements until their productivity is enhanced. We tend to hire IT professionals for particular projects as and when needed and as such there is no assurance that we will be able to find such IT professionals in time, or at all.

Further, due to the growing demand for IT professionals in India, we may have to increase the levels of employee compensation in order to retain our employees and may be unable to pass on this increase to our customers. In addition, we may not be able to redeploy and retrain our IT professionals in anticipation of continuing changes in technology, evolving standards and changing customer preferences. Our inability to attract and retain IT professionals could have a material adverse effect on our business, financial condition and results of operations.

8. *Our current order book value is not necessarily indicative of future growth. Further, some of the orders that constitute our current order could be cancelled, put in abeyance, delayed, or not paid for by our customers, which could adversely affect our financial condition*

Our business operations have long lead times between our Company pitching for an order from new customers, and such new customer placing the purchase order for our solution offerings. We expend significant time and effort of our management for these pitches. Even after expending significant time and effort of our management, our pitch may not materialize into a purchase order, and may consequently impact our business operations. Our order book as of July 31, 2024, stands at Rs. 7,720.76 lakhs

Our order book value is neither an indicative of future growth nor is it a guarantee of future revenues. Further, our order book value is based on purchase orders which are considered firm orders. However, these orders may be subject to vagaries including due to factors that may be beyond our control such as orders being cancelled or being put in abeyance, or the implementation schedules being delayed. While there have been no such instances during the last three financial years, we cannot assure you that such an event of cancellation of orders or orders being put in abeyance will not occur in future. In the event our customers renege on our purchase orders or payments terms, our anticipated revenues may not materialize and we may be required to seek recourse to dispute resolution mechanisms which could be time consuming and, or, expensive which could adversely affect our financial condition. While we expect our order book to translate into future revenues, we cannot assure you that such revenues will be realized on time or be profitable.

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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our Trade Receivables for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 were Rs. 3,937.51 lakhs, 3,050.20 lakhs and 1,997.81 lakhs our inventories for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 were Rs. 1,180.43 lakhs, 1,739.89 lakhs and 252.68 lakhs respectively

The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to write-offs bad debts and/ or delay in recoveries which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

For further details of working capital requirements, please refer to the chapter titled "*Objects of the Issue*" on page 61 of the Prospectus.

10. The IT solutions market is highly competitive and our competitors may have advantages that could allow them to compete more effectively than we do to secure customer contracts. Any failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

The IT solutions market in which we operate includes a large number of participants, and we have faced, and expect to continue to face, intense competition from IT solutions providers both within and outside India. We believe that the principal competitive factors in our markets are the breadth and depth of service offerings, reputation and track record, ability to tailor service offerings to customer needs, industry expertise, service quality, pricing, scalability of infrastructure, financial stability, and sales and marketing skills. We are particularly susceptible to the risk of price competition from existing and new entrants in our focus verticals.

To obtain engagements for our integrated IT solutions, we are also competing with large, well-established IT solutions companies as well as other India-based IT solutions companies resulting in increased competition and marketing costs. Our key competitors in our business are domestic IT services providers such as Allied Digital Services Limited, Trimax IT infrastructure & services Limited and Synoptics Technologies Limited.

The IT solutions industry in which we compete is experiencing rapid changes in its competitive landscape. Some of the large consulting firms, infrastructure management services firms and other IT service providers that we compete with have significant resources and financial capabilities combined with a greater number of IT professionals. Many of our competitors are significantly larger and some have gained access to public and private capital or have merged or consolidated with better capitalized partners, which has created, and may in the future create, larger and better capitalized competitors. These competitors may have superior abilities to compete for market share and for our existing and prospective customers. Our competitors may be better able to use significant economic incentives, such as lower fixed price terms, to secure contracts with our existing and prospective customers. These competitors may also be better able to compete for and retain skilled professionals by offering them more attractive compensation or other incentives. These factors may provide these competitors with advantages over us to meet customer demands in an engagement for large numbers and varied types of resources with specific experience or skill-sets that we may not have available in the short or long-term. In addition, these competitors may refocus on the Indian market in light of global economic conditions. We cannot assure you that we can maintain or enhance our competitive position against current and future competitors. Our failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

11. We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

The details of Cash flows of our Company are as follows:-

| Particulars | Consolidated | | Standalone |
|---|--------------|--------------|--------------|
| | F.Y. 2023-24 | F.Y. 2022-23 | F.Y. 2021-22 |
| Net Cash flow from Operating activities | 397.32 | (1,401.97) | 87.12 |
| Net Cash flow from Investing activities | 7.59 | (20.86) | (8.80) |
| Net Cash flow from Financing activities | (349.56) | 1,155.03 | (151.16) |

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see “**Financial Statements**” and “**Managements Discussion and Analysis of Financial Condition and Results of Operations**” on page 123 and 159, respectively. We cannot assure you that our net cash flows will be positive in the future.

12. Our Company has taken unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate working capital to make timely payments or at all.

Our Company has availed unsecured loans which may be recalled by its lenders at any time. As of July 31, 2024, such loans amounted to Rs. 1,066.77 lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “**Statement of Financial Indebtedness**” on page 156 of this Draft Red Herring Prospectus.

13. The Registered office from where we carry out our business activities is owned by our Promoters, and has been obtained by us on a lease /rental basis. In case of non-renewal of lease/rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.

Our Registered office is situated at CP-37, Viraj Khand, Gomti Nagar, Near Bank of India, Lucknow – 226 010, Uttar Pradesh, from where we carry out our business activities. This office space has been leased from our Promoters i.e. Mr. Manish Kumar Sharma & Mr. Neeraj Kumar vide Lease Deed dated on January 01st, 2024 for a period of 11 Months at Rs.2,15,200/- per month.

Additionally, we have one branch office located at 911, DLF Tower B, Jasola, District Center, New Delhi – 110 044. The office space has been leased from M/s ISC IT Services Private Limited under a Lease Agreement dated September 10, 2024 for a period of 3 years at a monthly rent of Rs. 1,71,300/-

In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled “**Our Business**” beginning on page 85 of this Draft Red Herring Prospectus. There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favourable to us, or at all. We may also fail to negotiate the renewal of our rent/lease agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the lease/rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our business operations which could materially and adversely affect our business, financial condition and results of operations.

14. We are dependent on our promoters and senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.

Our performance depends largely on the efforts and abilities of our Promoters Manish Kumar Sharma, Chairman & Managing Director have more than 22 years of experience and Neeraj Kumar, Chief Executive Officer & Whole Time Director; have more than 25 years of experience, in the IT Infrastructure industry. They have gained significant experience in this line of business and have built strong relationships with suppliers, customers, regulators over the years. They have been actively involved in the day-to-day operations and management of our Company. For more details regarding the experience of our key management personnel, see “**Our Management**” on page 107 of this Draft Red Herring Prospectus.

However, we cannot assure you that these individuals or any other member of our senior management team will not leave us, join a competitor, or that we will be able to retain such personnel or find adequate replacements in a timely manner, if at all. Hiring and training replacement personnel may require a long period of time when qualified personnel terminate their employment with our Company. We may also need to increase employee compensation more rapidly than in the past to remain competitive in attracting the necessary employees for our business. The loss of these individuals may adversely affect our business, results of operations, financial condition, and cash flows.

15. There are outstanding legal tax proceedings involving in our Company. Any adverse decisions could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.

There are outstanding legal proceedings involving our Company. For details, see “**Outstanding Litigation and Material developments**” beginning on page 168 of this Draft Red Herring Prospectus

Litigations/Matters involving our Company:

| (₹ in lakhs) | | |
|-------------------------|--------------------------|------------------------------|
| Nature of Cases | No. of Outstanding Cases | Amount Involved (in ₹ Lakhs) |
| Tax proceedings: | | |
| Direct Tax | 4 | 30.25* |
| Indirect Tax | - | - |
| Total | 4 | 30.25* |

Litigations/Matters involving our Promoters & Directors:

| Nature of Cases | No. of Outstanding Cases | Amount Involved (in ₹ Lakhs) |
|-------------------------|--------------------------|------------------------------|
| Tax proceedings: | | |
| Direct Tax | 5 | 12.61* |
| Indirect Tax | - | - |
| Total | 5 | 12.61* |

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus.

For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 168 of this Draft Red Herring Prospectus.

16. Our Company operates under several statutory and regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may affect our business and results of operations.

Our business operations necessitate various statutory and regulatory permits, licenses, and approvals. While we believe that we have acquired the necessary permits and licenses essential for our business operations, we cannot guarantee that we have identified every statutory or regulatory requirement that may apply to our operations. Additionally, some of these approvals have finite durations and mandate periodic renewals. We are obligated to ensure the renewal of these permits, licenses, and approvals. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Our Company has presently obtained the requisite registrations. However, we cannot assure you that the approvals, licenses, registrations and permits required will be issued to us and those already issued will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see **“Government and Other Approvals”** on page 172 of this Draft Red Herring Prospectus.

17. *Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of our customers with which we conduct business, could have a material adverse effect on our business, results of operations, financial condition and cash flows.*

Cyber threats are evolving and are becoming increasingly sophisticated. Our Company may experience cyber threats from time to time, which pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. There have been no instances of the loss/ leakage of confidential information from our Company’s IT systems or due to cyber-attacks on our Company. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber-attacks or security breaches of our networks or systems in the future, could result in the loss of customers and business opportunities legal liability, regulatory fines, penalties or intervention, other litigation, regulatory and legal risks and the costs associated therewith, reputational damage, reimbursement or other compensatory costs, remediation costs, increased cyber security protection costs, additional compliance costs, increased insurance premiums, and lost revenues, damage to the Company’s competitiveness and any of which could materially adversely affect our business, results of operations, financial condition and cash flows. We also maintain and have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws and regulations. Despite our efforts to protect such sensitive, confidential or personal data or information, our facilities and systems and those of our customers may be vulnerable to security breaches, theft, fraud, misplaced or lost data, “Acts of God”, programming and/or human errors that could lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products and operational disruptions, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

18. *Our Company’s logo and Trademark is not registered as on Draft Red Herring Prospectus. We may be unable to protect our intellectual property against third party infringement or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, result of operations, and financial conditions.*

We have not yet registered the trademark that we are using for the business. We have made an application under the Trademarks



Act of 1999 to register our logo corporate logo and “Takyon Network, which is pending for approval. Our logo is significant to our business and operations. The use of our logo by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Further, while we endeavor to ensure that we comply with the intellectual property rights of others, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties that may require us to introduce changes to our operations. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. We could be required to pay third party infringement claims. In such cases, our financial conditions and business operations may be adversely impacted.

19. *If we are unable to manage our growth effectively and further expand into new markets our business, future financial performance and results of operations could be materially and adversely affected.*

The success of our business will depend on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including by Continuing to strengthen our existing product portfolio with attractive growth and profitability prospects, to strive for cost efficiency, attracting and retaining talented employees and focusing on consistently meeting quality standards

As we continue to grow our business and expand into newer markets, we may face several challenges, including as set forth below:

- acquiring new customers;
- identifying customer requirements and preferences in such markets;

- obtaining approvals and certifications for our products in such jurisdictions;
- making accurate assessments of the resources we will require;
- preserving a uniform culture, values and work environment;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations.

Our operating expenses and capital requirements may increase significantly pursuant to our expansion plans. Our ability to manage our growth effectively requires us to forecast accurately our sales and growth to expend funds to improve our operational, financial and management controls, reporting systems and procedures. An inability to implement our future business plan, manage our growth effectively, further expand into new markets or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

20. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.

Our Contingent liabilities as on March 31, 2024 were ₹1,096.23 lakhs. If these contingent liabilities materialize, fully or partly, the financial condition of our Company could be affected.

(₹ In lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Guarantees given to suppliers/ principals by the bankers (INR) | 1,065.98 | 867.04 | 383.04 |
| Income Tax | 29.35 | 29.35 | 29.35 |
| TDS | 0.90 | - | - |
| TOTAL | 1,096.23 | 896.39 | 412.39 |

For more information, regarding our *Contingent Liabilities*, please refer “Annexure XXX” in chapter titled “Financial Information of the Company” beginning on page 148 of this Draft Red Herring Prospectus.

21. We have not received NOC from our lender for undertaking the initial public offer of equity shares.

As on the date of this Draft Red Herring Prospectus, we have not received the NOC for the proposed issue from our lender, namely, PNB Housing Finance Limited, ICICI Bank Limited and Profectus Capital Private Limited. However, our Company intends to obtain the necessary NOC in relation to the proposed issue from such lender prior to the filing of the Red Herring Prospectus with the RoC, undertaking the proposed issue without obtaining such lender NOC may constitute a default under such loan agreement, which could impact our loan facilities and may have an effect on our financial condition and results of operations.

22. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology, keep up with technological improvements in order to meet our customers’ needs or that the technology developed by others will not render our products less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

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

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. Our company has obtained insurance coverage in respect of certain risks. Our insurance coverage consists of Kotak Bharat Sookshma Udyam Suraksha Policy, Kotak Burglary Secure Certificate Cum Policy, Burglary Insurance Policy, Motor Insurance Certificate cum Policy Schedule, Standalone Motor Own Damage Cover – Private Car, Digit Private Car Stand-alone Own Damage Policy, Private Car Package Policy, Stand-Alone Own Damage Private Car Insurance Policy, Stand-Alone Own Damage Policy-Private Car, and various Marine single transit island policies which provide appropriate

coverage in relation to terrorism, STFI, earthquake, theft, computer programs, information or data, etc. While we believe that the insurance coverage maintained by us is adequate and consistent with the size of our business. However, there is no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If we suffer any uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us is in excess of the insurance coverage may adversely affect our business, operation, results and financials. For further information, see the section titled **“Our Business”** on page 85 of this Draft Red Herring Prospectus.

24. Failure to adapt our product offerings to changing market technology and consumer preferences for our client’s products could cause our sales to decline, and we may not be able to maintain our competitive position in the market.

The IT services market is characterized by rapid technological changes, evolving industry standards, changing customer platforms, customer interaction preferences, and new service introductions that could result in technology obsolescence. Our future success will depend on our ability to anticipate these advances, enhance our existing offerings or develop new service applications, enhance our performance base to meet client needs, in each case, in a timely manner. We may not be successful in anticipating or responding to these advances on a timely basis, or at all. If we do not respond, the services or technologies we develop may not be successful in the marketplace. We may also be unsuccessful in stimulating customer demand for new and upgraded services, or seamlessly managing new service introductions or transitions or platforms or customer base. Our failure to address the demands of the rapidly evolving IT environment, particularly with respect to emerging technologies, metaverse, web developments and technological obsolescence, could have a material adverse effect on our business, results of operations and financial condition. In addition, our success also depends on our ability to proactively manage our portfolio of technology alliances.

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

Our Company has entered into various transactions with our directors, promoters, promoter group and group entities. These transactions, inter-alia includes sales, remuneration, loans and advances etc. For details, please refer to **“Annexure XXXI - Related Party Transactions”** under Section titled **“Financial Information of the Company”** and Chapter titled **“Capital Structure”** beginning on page 148 and 51 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution in accordance with Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

26. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled **“Objects of the Issue”**. The fund requirement and deployment, as mentioned in the section titled **“Objects of the Issue”** on page 61 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter **“Objects of the Issue”** is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter **“Objects of the Issue”** will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

27. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds for Repayment of a portion of certain borrowing availed by our company, Funding to meet working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, see **“Objects of the Issue”** beginning on page 61 of this Draft Red Herring Prospectus. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval

of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

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

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ***“Industry Overview”*** beginning on page 75 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

29. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

30. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.*

The proposed fund requirement as detailed in the section titled ***“Objects of the Issue”*** is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled ***“Objects of the Issue”*** beginning on page 61 of this Draft Red Herring Prospectus.

31. *Our Promoter and Promoter Group members has provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations and cash flows may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter and Promoter Group members.*

Our Promoter and Promoter Group Members has provided personal guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Promoter Group Members may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Members may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer ***“Statement of Financial Indebtedness”*** on page no. 156 of this Draft Red Herring Prospectus.

32. *Any Penalty or demand raised by statutory authorities in future will affect financial position of the Company.*

Our Company is engaged in IT infrastructure solutions and services, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for late payments or non-payments for any previous year and current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GST Returns due to operational reasons and accordingly paid late fees and

penalties on the same. Any demand or penalty raised by the concerned GST authority for such late filing may affect the financial position of the company.

33. *Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows and working capital requirements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section **“Dividend Policy”** on page 122 of the Draft Red Herring Prospectus.

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

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

35. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.*

Our Promoters average cost of acquisition of Equity Shares in our company may be lower than the Issue Price as may be decided by the company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter **“Capital Structure”** beginning on pages 51 of this Draft Red Herring Prospectus.

36. *Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.*

Our promoters along with the promoter group will continue to hold collectively [●] % of the post issue paid up share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters and promoter group will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

37. *Certain key performance indicators for certain listed industry peers included in this Draft Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete*

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the **“Basis for Issue Price”** beginning on page 68 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

38. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.*

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favorable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt - equity ratio to increase or require us to create charges or liens on our assets in favor of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms,

in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "**Basis for the Issue Price**" on page 68 and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

40. *Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

41. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within six (6) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing

EXTERNAL RISK FACTORS

42. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

43. Our business and results of operations could be adversely affected by disruptions in global economic and geo political conditions.

As substantially all of our operations are dependent on our customers who have their head offices or parent companies situated outside India, our financial performance and growth are necessarily dependent on economic conditions prevalent globally. The global economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in debt rating; and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in China, the repercussions of the United Kingdom exit from the European Union and other matters. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past due to global economic and geo political conditions. The Indian economy in particular could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of economy, trade deficits, recent initiatives by the Indian government and other factors. Unfavorable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

44. If certain labour laws become applicable to us, our profitability may be adversely affected.

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

45. The continuing effect of the COVID-19 pandemic on our business, results of operations and financial condition is highly uncertain and cannot be predicted.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. 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 COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession.

46. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by center or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy.

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 in 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, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

47. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter ***“Government and Other Statutory Approvals”*** on page 172 for details of the laws currently applicable to us. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify 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, results of operations and cash flows.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction 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 expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see ***“Outstanding Litigation and Material Developments”*** on page 168 of this Draft Red Herring Prospectus. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies. Any such future amendments may affect other benefits such as an exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would influence our profitability.

The Finance Act, 2022 (“Finance Act”), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax (“DDT”), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2023, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

48. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, NSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

49. *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.

50. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.*

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the 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 authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

51. *Our performance is linked to the stability of policies and the political situation in India.*

The Government of India has traditionally exercised, and continues to exercise, a significant 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. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

SECTION IV – INTRODUCTION

THE ISSUE

| PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS | |
|---|--|
| Equity Shares Offered through Public Issue ⁽¹⁾⁽²⁾ | Upto 37,92,000 Equity Shares aggregating to ₹ [●] Lakhs |
| <i>Out of which:</i> | |
| Market Maker Reservation Portion | 1,92,000 Equity Shares aggregating to ₹ [●] Lakhs. |
| Net Issue to the Public | Upto 36,00,000 Equity Shares aggregating to ₹ [●] Lakhs. |
| <i>Out of which*</i> | |
| QIB Portion ⁽³⁾⁽⁴⁾ | Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs. |
| <i>Of which</i> | |
| Anchor Investor Portion | Up to [●] Equity Shares aggregating up to ₹ [●] lakhs. |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Up to [●] Equity Shares aggregating up to ₹ [●] lakhs. |
| <i>Of which</i> | |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Up to [●] Equity Shares aggregating up to ₹ [●] lakhs |
| Balance of QIB Portion for all QIBs including Mutual Funds | Up to [●] Equity Shares aggregating up to ₹ [●] lakhs |
| Non-Institutional Portion | Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs |
| Retail Portion | Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs |
| Pre and Post – Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | Up to 1,05,30,000 Equity Shares of face value of ₹10 each. |
| Equity Shares Outstanding after the Issue | Up to 1,43,22,000 Equity Shares of face value ₹10 each. |
| Use of Net Proceeds by Our Company | Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 61 of this Draft Red Herring Prospectus. |

*The number of shares may need to be adjusted for lot size upon determination of the Issue price.

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue of up to 37,92,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated August 13, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members of the company held on August 14, 2024.
- 3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.
- 4) Subject to valid Bids being received at or above the Issue Price, 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 combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 195 of this Draft Red Herring Prospectus.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED
ANNEXURE – I**

(₹ In Lakhs)

| Particulars | Annexure No. | As at March 31, | | |
|---|--------------|-----------------|-----------------|-----------------|
| | | 2024 | 2023 | 2022 |
| | | Consolidated | | Standalone |
| I. EQUITY AND LIABILITIES | | | | |
| (1) Shareholder's Funds | | | | |
| (a) Share Capital | V | 351.00 | 351.00 | 351.00 |
| (b) Reserves and Surplus | VI | 2,475.55 | 1,935.44 | 1,654.27 |
| (2) Share Application Money Pending Allotment | | - | - | - |
| Minority Interest | VII | 0.19 | 0.00 | - |
| (3) Non-Current Liabilities | | | | |
| (a) Long-Term Borrowings | VIII | 275.45 | 502.44 | 218.74 |
| (b) Deferred Tax Liability(Net) | IX | | | 4.78 |
| (c) Other Long-term Liabilities | | - | - | - |
| (d) Long Term Provision | X | 140.63 | 111.55 | 85.69 |
| (4) Current Liabilities | | | | |
| (a) Short Term Borrowing | XI | 1,561.11 | 1,361.31 | 312.87 |
| (b) Trade Payables | XII | | | |
| (i) total outstanding dues of micro enterprises and small enterprises; and | | 82.20 | 216.05 | 8.72 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,116.71 | 2,009.12 | 1,187.91 |
| (c) Other Current Liabilities | XIII | 266.92 | 440.01 | 700.77 |
| (d) Short-Term Provisions | XIV | 13.17 | 40.09 | 19.09 |
| Total | | 7,282.94 | 6,967.02 | 4,543.84 |
| II.ASSETS | | | | |
| (1) Non-Current Assets | | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | | |
| (i) Property, Plant and Equipment | XV | 277.30 | 243.99 | 212.12 |
| (ii) Intangible Assets | | 78.18 | 121.42 | 164.66 |
| (iii)Capital Work-in-Progress | | - | - | - |
| (iii)Intangible assets under development | | | | |
| (b) Non-Current Investment | | - | - | - |
| (c) Deferred Tax Assets (Net) | IX | 9.68 | 1.21 | - |
| (d) Long-term Loans and Advances | | - | - | - |
| (e) Other Non-Current Assets | XVI | 706.12 | 668.97 | 633.18 |
| (2) Current Assets | | | | |
| (a) Current Investments | | - | - | - |
| (b) Inventories | XVII | 1,180.43 | 1,739.89 | 252.68 |
| (c) Trade Receivables | XVIII | 3,937.51 | 3,050.20 | 1,997.81 |
| (d) Cash and Bank Balances | XIX | 85.18 | 29.82 | 297.62 |
| (e) Short-Term Loans And Advances | XX | 177.81 | 161.52 | 237.51 |
| (f) Other Current Assets | XXI | 830.72 | 950.00 | 748.26 |
| Total | | 7,282.94 | 6,967.02 | 4,543.84 |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE - II

(₹ In Lakhs)

| Sr. No. | Particulars | Annexure No. | For the year ended March 31, | | |
|----------|---|--------------|------------------------------|-----------------|-----------------|
| | | | 2024 | 2023 | 2022 |
| | | | Consolidated | | Standalone |
| A | <u>Revenue:</u> | | | | |
| | Revenue From Operations (Net of Taxes) | XXII | 10,750.09 | 6,323.72 | 5,905.56 |
| | Other Income | XXIII | 74.45 | 72.89 | 22.97 |
| | Total Revenue | | 10,824.54 | 6,396.60 | 5,928.53 |
| | <u>Expenses:</u> | | | | |
| | Cost of Service Provided | XXIV | 2,763.57 | 350.57 | 441.22 |
| B | Purchase of Stock in Trade | XXV | 3,978.93 | 4,741.15 | 2,880.31 |
| | Changes in inventories of stock in trade | XXVI | 577.44 | -1,487.21 | 3.41 |
| | Employee benefit expenses | XXVII | 1,646.74 | 1,525.08 | 1,364.53 |
| | Financial Cost | XXVIII | 322.37 | 177.11 | 126.77 |
| | Depreciation and amortization expenses | XV | 70.47 | 59.11 | 53.19 |
| | Others Expenses | XXIX | 748.47 | 633.73 | 592.34 |
| | Total Expenses | | 10,108.00 | 5,999.55 | 5,461.77 |
| C | Profit before exceptional ,extraordinary items and tax | | 716.54 | 397.06 | 466.76 |
| | Less: Exceptional Items | | - | - | - |
| | Profit before extraordinary items and tax (A-B) | | 716.54 | 397.06 | 466.76 |
| | Extra ordinary items | | - | - | - |
| D | Profit before tax | | 716.54 | 397.06 | 466.76 |
| | <i>Tax expense :</i> | | | | |
| | Current tax | | 202.70 | 121.88 | 144.32 |
| | Deferred Tax | | 8.47 | 5.99 | 7.20 |
| | Profit/(Loss) for the period After Tax- PAT | | 522.31 | 281.17 | 329.63 |
| | No. of Shares | | 10,530,000 | 10,530,000 | 10,530,000 |
| E | Earning per Equity Share: Basic/Diluted | | | | |
| | (1) Basic | | 4.96 | 2.67 | 3.13 |
| F | (2) Diluted | | 4.96 | 2.67 | 3.13 |

**CONSOLIDATED STATEMENT OF CASH FLOW AS RESTATED
ANNEXURE -III**

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|--|------------------------------|------------------|----------------|
| | 2024 | 2023 | 2022 |
| | Consolidated | | Standalone |
| Cash Flow from Operating Activities: | | | |
| Net Profit before tax as per Profit and Loss A/c | 716.54 | 397.06 | 466.76 |
| Adjustments for: | - | - | - |
| Opening Reserve Adjustment | - | - | -59.49 |
| Gratuity | 18.95 | 18.15 | 18.31 |
| Leave Encashment | 13.84 | 12.46 | 12.61 |
| Unrealized Profit on Stock | 17.98 | - | - |
| Depreciation & Amortization Expense | 70.47 | 59.11 | 53.19 |
| Profit/Loss on Sales Property, Plant and Equipment | - | - | - |
| Interest Income | -68.14 | -26.88 | -22.71 |
| Finance Cost | 322.37 | 177.11 | 126.77 |
| Bad Debts | 14.03 | 18.59 | 112.97 |
| Minority Interest | - | 0.00 | - |
| Operating Profit Before Working Capital Changes | 1,106.05 | 655.59 | 708.40 |
| Adjusted for (Increase)/ Decrease in: | | | |
| Short term provision | - | - | 125.29 |
| Long Term Provisions | - | - | 56.23 |
| Trade Receivables | -901.35 | -1,070.97 | -434.39 |
| Inventories | 559.46 | -1,487.21 | 3.41 |
| Other Current assets | 213.99 | -201.73 | 586.25 |
| Other Non-current Assets | -37.16 | -35.79 | -633.18 |
| Trade Payables | -26.25 | 1,028.53 | 132.63 |
| Other Current Liabilities | -173.08 | -260.76 | 31.96 |
| Short Term Loans & Advances | -16.28 | 75.99 | -237.51 |
| Cash Generated from Operations | 725.38 | -1,296.35 | 339.09 |
| Appropriation of Profit | - | - | - |
| Net Income Tax paid/ refunded | 328.05 | 105.62 | 251.97 |
| Net Cash Flow from/(used in) Operating Activities: (A) | 397.32 | -1,401.97 | 87.12 |
| Cash Flow from Investing Activities: | | | |
| Purchase of Property, Plant and Equipment (including capital work in progress & Intangible assets) | -60.54 | -47.89 | -31.51 |
| Sale of Property, Plant and Equipment | - | 0.15 | - |
| Interest Income | 68.14 | 26.88 | 22.71 |
| Net Cash Flow from/(used in) Investing Activities: (B) | 7.59 | -20.86 | -8.80 |
| Cash Flow from Financing Activities: | | | |
| Proceeds from Long term Borrowings (including Current Maturity) | 132.53 | 790.99 | 208.59 |
| Repayment of Long-term Borrowings (including Current Maturity) | -430.49 | -222.79 | -202.70 |
| Net Increase/(Decrease) in Short Term Borrowing | 270.76 | 763.96 | -30.28 |
| Interest Paid | -322.37 | -177.11 | -126.77 |
| Net Cash Flow from/(used in) Financing Activities (C) | -349.56 | 1,155.03 | -151.16 |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 55.36 | -267.80 | -72.84 |
| Cash & Cash Equivalents as At Beginning of the Year | 29.82 | 297.62 | 370.46 |
| Cash & Cash Equivalents as At End of the Year | 85.18 | 29.82 | 297.62 |

Notes:

| 1. Components of Cash & Bank Balances | For the year ended March 31, | | |
|--|------------------------------|--------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Cash on Hand | 23.88 | 7.77 | 3.19 |
| Bank Balance | 61.30 | 22.06 | 294.43 |
| Fixed Deposits (Maturity Less than 3 Months) | - | - | - |
| Other Bank Balances: | - | - | - |
| Deposits with original maturity for more than 3 months but less than 12 months | - | - | - |
| Total | 85.18 | 29.82 | 297.62 |

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

GENERAL INFORMATION

Brief Summary:

Our Company was originally incorporated as a Private Limited Company under the name of “**Takyon Networks Private Limited**” on May 12, 2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Uttar Pradesh, Kanpur, bearing CIN: U72300UP2015PTC070649. Subsequently, our Company was converted into a public limited company under Companies Act with the name ‘**Takyon Networks Limited**’ pursuant to a fresh certificate of incorporation dated August 07, 2024 was issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U72300UP2015PLC070649.

For further details please refer to the chapter titled “*History and Corporate Structure*” beginning on page 103 of this Draft Red Herring Prospectus.

| | |
|---------------------------|--|
| Registered Office | Takyon Networks Limited CP 37, Viraj Khand Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India. Email: info@takyon.co.in Website: www.takyon.co.in CIN: U72300UP2015PLC070649 Registration Number: 070649 |
| Address of the RoC | Registrar of Companies, Kanpur 37/17, Westcott building, The Mall, Kanpur – 208 001, Uttar Pradesh |

Board of Directors:

The Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus consists of:

| Name of Directors | Designation | Address | DIN |
|--------------------------|---|---|------------|
| Manish Kumar Sharma | Chairman & Managing Director | Flat 601, Tower-A, Belvedere Court-1, Shalimar One World, Sector-6, Near Shaheed Path, Gomti Nagar Vistar, Gomti Nagar, Lucknow – 226010, Uttar Pradesh | 01397817 |
| Neeraj Kumar | Chief Executive Officer & Whole-time Director | 1/C-203, Sector1, Gomti Nagar Extention, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh | 01397836 |
| Nikhil Laxman Buran | Executive Director | 388, Sector-14, Escorts Nagar, Faridabad, Haryana – 121 007 | 09072690 |
| Paresh Goyal | Executive Director | Flat-D, Saubhagya Apartment, Phase-3, Kanpur Road, Behind Balaji Complex, Krishna Nagar Metro Station, LDA Colony, Lucknow, Uttar Pradesh – 226 012 | 09072777 |
| Swati Singh | Independent Director | C-102/68 Satya Marg, Behind Purvanchal Bank Mohaddipur, Khorabar urf Soobabazar, Gorakhpur- 273 008, Uttar Pradesh | 10662244 |
| Ashwani Jaiswal | Independent Director | Flat No. T-19-1304, Okas Residency Sector G, Pocket 5 Near Cancer Hospital Sushant Golf City, Lucknow, Uttar Pradesh – 226 030 | 07186241 |
| Sarita Paswan | Independent Director | 11A, Daragahiya, Nandanagar, Ward 08, Khorabar Urf Soobabazar, Gorakhpur, Uttar Pradesh – 273 008. | 10740183 |

For further details in relation to our directors, please refer to the chapter titled “*Our Management*” on page 107 of this Draft Red Herring Prospectus.

| Chief Financial Officer | Company Secretary & Compliance Officer |
|---|--|
| Vivek Singh Takyon Networks Limited Address: CP 37, Viraj Khand, Gomti Nagar, Lucknow, Uttar Pradesh, India, 226010 Tel. No.: +91-0522-6656617 Email: cfo@takyon.co.in Website: www.takyon.co.in | Pooja Sharma Takyon Networks Limited Address: CP 37, Viraj Khand, Gomti Nagar, Lucknow, Uttar Pradesh, India, 226010 Tel. No.: +91-0522-6656617 Email: cs@takyon.co.in Website: www.takyon.co.in |

Investor Grievances:

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

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

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

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

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

| Book Running Lead Manager to the Issue | Legal Advisor to the Issue |
|--|--|
| Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel No.: +91-22-4906 0000 Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Neelkanth Agarwal SEBI Reg. No.: INM000010981 | Mindspright Legal Address: 712-714, C-Wing, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India. Contact Person: Richa Bhansali Tel No.: +91-022- 42197000 Email: legal@mindspright.co.in Website: www.mindspright.co.in |
| Registrar to the Issue | Statutory Auditor |
| Cameo Corporate Services Limited Address: Subramanian Building No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India. Tel No.: +91-44-40020700/28460390 Email: ipo@cameoindia.com Website: www.cameoindia.com Investor Grievance Email: investor@cameoindia.com Online Investor Portal: https://wisdom.cameoindia.com/ Contact Person: Ms. K Sreepriya Designation: Vice President & Company Secretary SEBI Registration Number: INR000003753 CIN: U67120TN1998PLC041613 | A D V & Associates, Chartered Accountants, Address: B-601, Raylon Arcade, R K Mandir Road, Kondivita, Andheri (East), Mumbai- 400 059 Phone: +91-90290 59911 Email: advassociates@gmail.com Firm Registration No.: 128045W Membership No: 613332 Peer Review Certificate Number: 013993 Contact Person: Vijay Jaju |
| Bankers to our Company | Syndicate Member* |
| HDFC Bank Limited Address: 31/31 MG Marg Hazaratganj Lucknow, Uttar Pradesh – 226 001 Tel No.: 9839090707 Email: syed.rizvi1@hdfcbank.com Contact Person: Mr. Syed Rizvi Designation: Head Relationship Banking | [•] |
| Bankers to the Issue/ Refund Banker/Sponsor Bank* | |
| [•] | |

*The Banker to the Issue (Sponsor Bank) and Syndicate Member shall be appointed prior to the filing of the Red Herring Prospectus with the Registrar of Companies.

Designated Intermediaries:

Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

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

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

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants (CDP's)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Experts Opinion

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

Our Company has received consent from ADV & Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (a) Auditors' reports on the restated financial statements; and (b) Statement of Special Tax Benefits (c) Statement of Financial Indebtedness. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus;

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

Inter-se Allocation of Responsibilities

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

Monitoring Agency

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakhs. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Appraising Entity

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency.

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement to appoint an IPO Grading agency.

Trustees

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

Debenture Trustees

As this is an issue of Equity Shares, the appointment of Debenture trustees is not required.

Filing of Offer Document with the Designated Stock Exchange/SEBI/ROC

This Draft Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Maharashtra, India.

The Draft Red Herring Prospectus was not filed with SEBI, nor SEBI issued any observation on the Issue Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at <http://www.mca.gov.in> and a copy of the Red Herring Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>

Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with the BSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the

Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regard, specific attention is invited to the chapter titled **“Issue Procedure”** beginning on page 195 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see the section entitled **“Issue Procedure”** on page 195 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process:

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled **“Issue Procedure”** on page 195 of this Draft Red Herring Prospectus.

Bid/ Issue Program:

| Event | Indicative Dates |
|---|-------------------------|
| Bid/ Issue Opening Date | [●] ⁽¹⁾ |
| Bid/ Issue Closing Date | [●] ⁽²⁾ |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or about [●] |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or about [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or about [●] |

⁽¹⁾ Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI (ICDR) Regulations.

⁽²⁾ Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid Cum Application Forms prior to the Bid/Offer Closing Date. Allocation to Retail Individual Bidders, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs/ DPs / stock brokers, as the case may be, for the rectified data.

Underwriting

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter Hem Securities Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated August 27, 2024 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lakhs) | % of Total Issue Size Underwritten |
|--|----------------------------|----------------------------------|------------------------------------|
| Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India. Tel No.: +91-22-49060000 Email: mbd@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Rohit Sharma SEBI Registration Number.: INM000010981 | 37,92,000 | [●] | 100% |

*Includes 1,92,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

Change in Auditors during the last three (3) years

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

| Details of Auditor | Date of Change | Reason |
|--|-------------------|----------------------------------|
| SHAIENDRA VISHNU & CO. Chartered Accountants, Address: Flat No 1 Second Floor, Wazir Hasan Road, IIman Palace, 6/6 Gokhle Vihar Marg, Hazartganj, Lucknow, Uttar Pradesh – 226 010 Tel No.: +91-9415521920 Email: shailendra_vishnu@yahoo.co.in Firm Registration No.: 009832C Membership No: 076543 Contact Person: Shailendra Gupta | November 30, 2021 | Appointment as Statutory Auditor |

| Details of Auditor | Date of Change | Reason |
|--|-----------------|-----------------------------------|
| SHAIENDRA VISHNU & CO. Chartered Accountants, Address: Flat No 1 Second Floor, Wazir Hasan Road, IIman Palace, 6/6 Gokhle Vihar Marg, Hazartganj, Lucknow, Uttar Pradesh – 226 010 Tel No.: +91-9415521920 Email: shailendra_vishnu@yahoo.co.in Firm Registration No.: 009832C Membership No: 076543 Contact Person: Shailendra Gupta | August 10, 2024 | Resignation due to pre-occupation |
| A D V & Associates, Chartered Accountants, Address: B-601, Raylon Arcade, R K Mandir Road, Kondivita, Andheri (East), Mumbai- 400 059 Phone: +91-90290 59911 Email: advassociates@gmail.com Firm Registration No.: 128045W Membership No: 613332 Peer Review Certificate Number: 013993 Contact Person: Vijay Jaju | August 14, 2024 | Appointment due to Casual Vacancy |

Details of the Market-Making arrangement for this Issue

Our Company has entered into a Market Making Agreement dated August 27, 2024 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

| | |
|--------------------------------------|--|
| Name | Hem Finlease Private Limited |
| Correspondence Address | 203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India. |
| Tel No. | +91-141-4051000 |
| E-mail | ashoks@hemsecurities.com |
| Website | www.hemsecurities.com |
| Contact Person | Ashok Soni |
| SEBI Registration No. | INZ000167734 |
| Market Maker Registration No. | SMEMM0674109092020 |

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with BSE to fulfill the obligations of Market Making) dated August 27, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Hem Finlease Private Limited, registered with SME Platform of BSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market-making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

Following is a summary of the key details pertaining to the Market-making arrangement:

The Market Maker(s) in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.

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

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

There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

On the first day of the listing, there will be a pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.

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, or 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 the final.

The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market-Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further, our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement for the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 A.M. to 5.00 P.M. on working days.

Risk containment measures and monitoring for Market Makers: The Stock Exchange will have all margins, that are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins, and Base Minimum Capital, etc. BSE can impose any other margins as deemed necessary from time to time.

Punitive Action in case of default by Market Makers: SME Platform of BSE 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 he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market-making activities/ trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

Price Band and Spreads: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

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

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

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

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

- i. In case the equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case the equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and

the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final Registrar of Companies approval of the Prospectus.

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Red Herring Prospectus.

(₹ in Lakhs, except share data)

| Sr. No. | Particulars | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|---------|---|-------------------------------|--------------------------------|
| A | Authorized Share Capital 1,60,00,000 Equity Shares having Face Value of ₹ 10/- each | 1,600.00 | - |
| B | Issued, Subscribed & Paid-up Share Capital prior to the Issue 1,05,30,000 Equity Shares having Face Value of ₹10/- each | 1,053.00 | - |
| C | Present Issue in terms of this Draft Red Herring Prospectus* Upto 37,92,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share | 379.20 | [●] |
| | <i>Which comprises of:</i> | | |
| D | Reservation for Market Maker Portion 1,92,000 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion | 19.20 | [●] |
| E | Net Issue to Public Net Issue to Public of 36,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public | 360.00 | [●] |
| | <i>Of which:</i> | | |
| | At least [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Retail Individual Investors | [●] | [●] |
| | At least [●] Equity Shares of ₹10/- each aggregating up to ₹ [●] lakhs will be available for allocation to Non-Institutional Investors | [●] | [●] |
| | Not more than [●] Equity Shares of ₹10/- each aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds. | [●] | [●] |
| F | Issued, Subscribed and Paid-up Equity Share Capital after the Issue Upto 1,43,22,000 Equity Shares of face value of ₹10/- each | | [●] |
| G | Securities Premium Account Before the Issue (as on the date of this Draft Red Herring Prospectus) | | Nil |
| | After the Issue | | [●] |

*The Present Issue of up to 37,92,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated August 13, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members of the company held on August 14, 2024.

Classes of Shares:

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE:

1. Changes in Authorized Equity Share Capital of our Company:

| Sr. No. | Particulars | Cumulative No. of Equity Shares | Face Value of Equity Share | Cumulative Authorized Share Capital (₹ in lakhs) | Date of Meeting | Whether AGM/ EGM |
|---------|---|---------------------------------|----------------------------|--|--------------------|------------------|
| 1. | Upon incorporation | 50,000 | 10/- | 5.00 | - | N.A. |
| 2. | Increase in Authorized Share Capital from ₹ 5.00 Lakhs to ₹ 100.00 Lakhs | 10,00,000 | 10/- | 100.00 | September 04, 2017 | EGM |
| 3. | Increase in Authorized Share Capital from ₹ 100.00 Lakhs to ₹ 450.00 Lakhs | 45,00,000 | 10/- | 450.00 | January 02, 2021 | EGM |
| 4. | Increase in Authorized Share Capital from ₹ 450.00 Lakhs to ₹ 1600.00 Lakhs | 1,60,00,000 | 10/- | 1,600.00 | April 22, 2024 | EGM |

2. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share capital of our Company:

| Date of Allotment of Equity Shares | No. of Equity Shares allotted | Face Value (₹) | Issue Price (including Premium) (₹) | Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Securities Premium (₹) | Cumulative Paid-Up Capital (₹) |
|------------------------------------|-------------------------------|----------------|-------------------------------------|-----------------|--|---------------------------------|-----------------------------------|--------------------------------|
| Upon Incorporation | 10,000 | 10 | 10 | Cash | Subscription to MOA ⁽ⁱ⁾ | 10,000 | Nil | 1,00,000 |
| September 24, 2017 | 5,00,000 | 10 | 10 | Other than Cash | Issue of shares upon acquisition of M/s. Takyon Networks ⁽ⁱⁱ⁾ | 5,10,000 | Nil | 51,00,000 |
| February 20, 2021 | 30,00,000 | 10 | 10 | Cash | Right Issue ⁽ⁱⁱⁱ⁾ | 35,10,000 | Nil | 3,51,00,000 |
| May 03, 2024 | 70,20,000 | 10 | Nil | Other than cash | Bonus Issue ^(iv) | 1,05,30,000 | Nil | 10,53,00,000 |

All the above-mentioned shares have been fully paid up since the date of allotment.

(1) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of ₹10/- each, details of which are given below:

| Sr. No. | Name of Subscribers | Number of Shares Subscribed |
|---------|---------------------|-----------------------------|
| 1. | Manish Kumar Sharma | 5000 |
| 2. | Neeraj Kumar | 5000 |
| | Total | 10,000 |

(2) Details of the 5,00,000 Equity Shares of the face value of ₹ 10/- each issued upon acquisition of M/s. Takyon Networks as per the details given below:

| Sr. No. | Name of Subscribers | Number of Shares Subscribed |
|---------|---------------------|-----------------------------|
| 1. | Manish Kumar Sharma | 2,50,000 |
| 2. | Neeraj Kumar | 2,50,000 |
| | Total | 5,00,000 |

(3) Details of the Right Issue of 30,00,000 Equity Shares of the face value of ₹ 10/- each as per the details given below:

| Sr. No. | Name of Subscribers | Number of Shares Subscribed |
|---------|---------------------|-----------------------------|
| 1. | Manish Kumar Sharma | 15,00,000 |
| 2. | Neeraj Kumar | 15,00,000 |
| | Total | 30,00,000 |

(4) Bonus issue of 70,20,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 2:1 i.e., Two (2) Bonus Equity Shares for every One (1) Equity Shares held by shareholders. (refer to point no. 4 below for the allottees list)

b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned in point number 2a (iv) above, the Company has not issued any Equity Shares in the last two years preceding the Draft Red Herring Prospectus date.

4. Issue of Equity Shares for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Benefits Accrued to our Company | Name of Allottees | No. of Shares Allotted |
|--------------------|-------------------------|----------------|-----------------|---|--|---------------------|------------------------|
| September 17, 2017 | 5,00,000 | 10.00 | 10.00 | Issue of shares upon acquisition of M/s. Takyon Networks | Acquisition of the running business of M/s Takyon Networks | Manish Kumar Sharma | 2,50,000 |
| | | | | | | Neeraj Kumar | 2,50,000 |
| | | | | | | Total | 5,00,000 |
| May 03, 2024 | 70,20,000 | 10.00 | Nil | Bonus Issue in the ratio of 2:1 i.e., Two (2) Bonus Equity Shares for every One | Capitalization of Reserves & Surplus | Manish Kumar Sharma | 35,10,000 |
| | | | | | | Neeraj Kumar | 35,10,000 |
| | | | | | | TOTAL | 70,20,000 |

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Benefits Accrued to our Company | Name of Allottees | No. of Shares Allotted |
|-------------------|-------------------------|----------------|-----------------|---|---------------------------------|-------------------|------------------------|
| | | | | (1) Equity Shares held by shareholders. | | | |

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for the Bonus Issue made on May 03, 2024, our Company has not issued Equity shares at a price below the Issue price within the last one year from the date of the Draft Red Herring Prospectus. (refer to point no. 4 above for the allottees list)
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as of the date of this Draft Red Herring Prospectus:

Our Shareholding Pattern:

| Sr No | Category of shareholder | No. of share holders | No. of fully paid-up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|-------|----------------------------|----------------------|---|--|--|------------------------|--|---|-------------|--------------------|---------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B + C) | | | No | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class Equity Shares of ₹10/- each^ | Class eg: y | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII = IV+V+VI | VIII | IX | | | | X | XI=VII+X | XII | | XIII | XIV | |
| (A) | Promoters & Promoter Group | 7 | 1,05,30,000 | - | - | 1,05,30,000 | 100.00 | 1,05,30,000 | - | 1,05,30,000 | 100.00 | - | - | - | - | - | - | 1,05,30,000 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non-Promoter Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C 1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C 2) | Shares held by Emp. Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 7 | 1,05,30,000 | - | - | 1,05,30,000 | 100.00 | 1,05,30,000 | - | 1,05,30,000 | 100.00 | - | - | - | - | - | - | 1,05,30,000 |

Notes-

As on date of this Draft Red Herring Prospectus, 1 Equity share holds 1 vote.

We have only one class of Equity Shares of the face value of ₹ 10/- each.

We have entered into a tripartite agreement with CDSL & NSDL.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before the commencement of trading of such Equity Shares.

10. List of Shareholders of the Company holding 1% or more of the paid-up Share Capital of the Company:

a) As on the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Names of Shareholders | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Share Capital |
|---------|-----------------------|---------------------------------------|-----------------------------------|
| 1. | Manish Kumar Sharma | 52,64,700 | 49.99 |
| 2. | Neeraj Kumar | 52,64,700 | 49.99 |
| | Total | 1,05,29,400 | 99.98 |

b) Ten days prior to the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Names of Shareholders | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Share Capital |
|---------|-----------------------|---------------------------------------|-----------------------------------|
| 1. | Manish Kumar Sharma | 52,64,700 | 49.99 |
| 2. | Neeraj Kumar | 52,64,700 | 49.99 |
| | Total | 1,05,29,400 | 99.98 |

c) One Year prior to the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Names of Shareholders | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Shar Capital |
|---------|-----------------------|---------------------------------------|----------------------------------|
| 1. | Manish Kumar Sharma | 17,55,000 | 50.00 |
| 2. | Neeraj Kumar | 17,55,000 | 50.00 |
| | Total | 35,10,000 | 100.00 |

*Details of shares held on September 23, 2023 and percentage held has been calculated based on the paid-up capital of our Company as on September 23, 2023.

d) Two Years prior to the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Names of Shareholders | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Shar Capital |
|---------|-----------------------|---------------------------------------|----------------------------------|
| 1. | Manish Kumar Sharma | 17,55,000 | 50.00 |
| 2. | Neeraj Kumar | 17,55,000 | 50.00 |
| | Total | 35,10,000 | 100.00 |

*Details of shares held September 23, 2022 and the percentage held have been calculated based on the paid-up capital of our Company as on September 23, 2022.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of the issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including the issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, Our Promoters Manish Kumar Sharma, and Neeraj Kumar collectively hold 1,05,29,400 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

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

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face Value Per Share (₹) | Issue/ Acquisition / Transfer Price (₹) | Consideration | Nature of Issue | Pre-Issue Shareholding % (adjusted as per face value) | Post-Issue Shareholding % (adjusted as per face value) |
|--|----------------------|--------------------------|---|-----------------|----------------------------------|---|--|
| (A) Manish Kumar Sharma | | | | | | | |
| Upon Incorporation | 5,000 | 10 | 10 | Cash | Subscriber to MOA | 0.05% | [•] |
| September 24, 2017 | 2,50,000 | 10 | 10 | Other than cash | Issue of shares upon acquisition | 2.37% | [•] |

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face Value Per Share (₹) | Issue/ Acquisition / Transfer Price (₹) | Consideration | Nature of Issue | Pre-Issue Shareholding % (adjusted as per face value) | Post-Issue Shareholding % (adjusted as per face value) |
|--|----------------------|--------------------------|---|-----------------|--|---|--|
| | | | | | of M/s. Takyon Networks | | |
| February 20, 2021 | 15,00,000 | 10 | 10 | Cash | Right Issue | 14.25% | [•] |
| May 03, 2024 | 35,10,000 | 10 | Nil | Other than Cash | Bonus in the ratio of 2:1 i.e., Two (2) Bonus Equity Shares for every One (1) Equity Shares held by shareholders | 33.33% | [•] |
| May 07, 2024 | (300) | 10 | 10 | Cash | Transfer of Shares ⁽ⁱ⁾ | Negligible | |
| Total (A) | 52,64,700 | | | | | 50.00% | [•] |
| (B) Neeraj Kumar | | | | | | | |
| Upon Incorporation | 5,000 | 10 | 10 | Cash | Subscriber to MOA | 0.05% | [•] |
| September 24, 2017 | 2,50,000 | 10 | 10 | Other than cash | Issue of shares upon acquisition of M/s. Takyon Networks | 2.37% | [•] |
| February 20, 2021 | 15,00,000 | 10 | 10 | Cash | Right Issue | 14.25% | [•] |
| May 03, 2024 | 35,10,000 | 10 | Nil | Other than Cash | Bonus in the ratio of 2:1 i.e., Two (2) Bonus Equity Shares for every One (1) Equity Shares held by shareholders | 33.33% | [•] |
| May 07, 2024 | (300) | 10 | 10 | Cash | Transfer of Shares ⁽ⁱⁱ⁾ | Negligible | |
| Total (B) | 52,64,700 | | | | | 50.00% | [•] |
| Grand Total (A+B+C+D+E+F) | 1,05,29,400 | | | | | 100.00% | |

Note: None of the Shares has been pledged by our Promoters.

(i) Details of the transfer of 300 shares by Manish Kumar Sharma:

| Sr. No. | Date of Transfer | Name of Transferee | No. of Shares Transferred |
|---------|------------------|--------------------|---------------------------|
| 1. | May 07, 2024 | Nidhi Sharma | 100 |
| 2. | May 07, 2024 | Pushpa Sharma | 100 |
| 3. | May 07, 2024 | Shalini Joshi | 100 |
| | | Total | 300 |

(ii) Details of the transfer of 300 shares by Neeraj Kumar:

| Sr. No. | Date of Transfer | Name of Transferee | No. of Shares Transferred |
|---------|------------------|--------------------|---------------------------|
| 1. | May 07, 2024 | Pankaj Kumar | 150 |
| 2. | May 07, 2024 | Bishun Chowdhary | 150 |
| | | Total | 300 |

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

| Sr. No. | Name of the Promoters | No. of Shares held | Average cost of Acquisition (in ₹) |
|---------|-----------------------|--------------------|------------------------------------|
| 1. | Manish Kumar Sharma | 52,64,700 | 3.33 |
| 2. | Neeraj Kumar | 52,64,700 | 3.33 |

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

| Sr. No. | Names | Pre IPO | | Post IPO | |
|---------|--------------------------|--------------------|-------------------|--------------------|---------------|
| | | Shares Held | % Shares Held | Shares Held | % Shares Held |
| | Promoters | | | | |
| 1. | Manish Kumar Sharma | 52,64,700 | 49.99 | 52,64,700 | [●] |
| 2. | Neeraj Kumar | 52,64,700 | 49.99 | 52,64,700 | [●] |
| | Sub Total (A) | 1,05,29,400 | 99.98 | 1,05,29,400 | [●] |
| | Promoter Group | | | | |
| 3. | Pankaj Kumar | 150 | Negligible | 150 | [●] |
| 4. | Bishun Chowdhary | 150 | Negligible | 150 | [●] |
| 5. | Nidhi Sharma | 100 | Negligible | 100 | [●] |
| 6. | Pushpa Sharma | 100 | Negligible | 100 | [●] |
| 7. | Shalini Joshi | 100 | Negligible | 100 | [●] |
| | Sub Total (B) | 600 | Negligible | 600 | [●] |
| | Grand Total (A+B) | 1,05,30,000 | 100.00 | 1,05,30,000 | [●] |

16. Except as mentioned below, No Equity Shares were acquired/purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

| Date of Allotment / Acquisition | Name of Shareholder | No. of Equity Share | % of Pre-Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|---------------------------------|---------------------|---------------------|------------------------|---|---|
| May 03, 2024 | Manish Kumar Sharma | 35,10,000 | 33.33% | Acquisition of shares under the Bonus issue | Promoter |
| May 03, 2024 | Neeraj Kumar | 35,10,000 | 33.33% | Acquisition of shares under the Bonus issue | Promoter |
| May 07, 2024 | Manish Kumar Sharma | (300) | Negligible | Disposal of shares by way of Transfer | Promoter |
| May 07, 2024 | Neeraj Kumar | (300) | Negligible | Disposal of shares by way of Transfer | Promoter |
| May 07, 2024 | Pankaj Kumar | 150 | Negligible | Acquisition of shares by way of Transfer | Promoter Group |
| May 07, 2024 | Bishun Chowdhary | 150 | Negligible | Acquisition of shares by way of Transfer | Promoter Group |
| May 07, 2024 | Nidhi Sharma | 100 | Negligible | Acquisition of shares by way of Transfer | Promoter Group |
| May 07, 2024 | Pushpa Sharma | 100 | Negligible | Acquisition of shares by way of Transfer | Promoter Group |
| May 07, 2024 | Shalini Joshi | 100 | Negligible | Acquisition of shares by way of Transfer | Promoter Group |

17. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

18. Details of Promoters’ Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter’s Contribution (“Promoters’ Contribution”) and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock-in of the Promoter’s Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,05,29,400 Equity Shares constituting [●]% of the Post Issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoter’s contribution.

Our Promoters have given written consent to include 28,65,000 Equity Shares held by them and subscribed by them as part of Promoters’ Contribution constituting [●]% of the post issue Equity Shares of our Company. Further, he has agreed not to sell, transfer or pledge or otherwise dispose of in any manner, the Promoters’ contribution, for a period of three years from the date of allotment in the Issue.

| Date of Allotment/ Transfer and made fully Paid Up | No. of Equity Shares locked-in* | Face Value Per Share (₹) | Issue/ Acquisition/ Transfer Price (₹) | Nature of transaction | Post-Issue Shareholding % | Lock in Period |
|--|---------------------------------|--------------------------|--|-----------------------|---------------------------|----------------|
| Manish Kumar Sharma | | | | | | |
| May 03, 2024 | 14,32,500 | 10/- | - | Bonus Issue | [●] | 3 years |
| Neeraj Kumar | | | | | | |
| May 03, 2024 | 14,32,500 | 10/- | - | Bonus Issue | [●] | 3 years |
| Total | 28,65,000 | | | | [●] | 3 years |

*Assuming full subscription to the Issue.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoter" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters' Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e., for a period of three years from the date of allotment of Equity Shares in this issue.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters' contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Eligibility of Share for "Minimum Promoters' Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

| Reg. No. | Promoters' Minimum Contribution Conditions | Eligibility Status of Equity Shares forming part of Promoter's Contribution |
|---------------|--|---|
| 237(1)(a)(i) | Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction; | The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible |
| 237(1)(a)(ii) | Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution; | The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible |
| 237(1)(b) | Specified securities acquired by the promoter during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer; | The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible. |
| 237(1)(c) | Specified securities allotted to a promoter during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoter of the issuer and there is no change in the management: Provided that specified securities, allotted to promoter against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible; | The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible. |
| 237(1)(d) | Specified securities pledged with any creditor. | Our Promoter has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible. |

Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters' contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 76,65,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-

banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

- b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- c) Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
1. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
 2. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid-up Equity shares.
 3. The BRLM i.e., Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
 4. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
 5. We have 7 shareholders as on the date of filing of this Draft Red Herring Prospectus.
 6. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
 7. Our Company has not raised any bridge loan against the proceeds of the Issue.
 8. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
 9. We here by confirm that there will be no further issue of capital whether by way of the issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of the failure of Issue.
 10. An over-subscription to the extent of 1% of the Issue subject to the maximum post issue paid-up capital of ₹ 25 cr. can be retained for the purpose of rounding off to the nearest integer while finalizing the allotment, subject to the minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% 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 Promoters and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post-issued paid-up capital is locked in.
 11. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. Such inter-se spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Category will not be allowed to be met with spillover from any category or combination thereof.
 12. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
 13. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
 14. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.

15. There are no Equity Shares against which depository receipts have been issued.
16. Other than the Equity Shares, there is no other class of securities issued by our Company.
17. There are no safety net arrangements for this public issue.
18. As per RBI regulations, OCBs are not allowed to participate in this issue.
19. Our Promoters and Promoter Group will not participate in this Issue.
20. This Issue is being made through Book Building Method.
21. Our Company has not made any public issue of any kind or class of securities since its incorporation.
22. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
23. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
24. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Prospectus with the Registrar of Companies, and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECT OF THE ISSUE

The Issue includes a fresh Issue of up to 37,92,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the proceeds of the net issue to meet the following objects:

1. To Meet Working Capital Requirements;
2. Repayment of a portion of certain borrowing availed by our Company;
3. General Corporate Purpose

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the BSE SME Platform. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum enables our Company to undertake its existing activities.

Net Proceeds

The details of the Net Proceeds are set forth below:

| Particulars | Amount (₹ in Lakhs) |
|--|---------------------|
| Gross Proceeds of the Issue | [●] |
| Less: Issue related expenses in relation to Issue* | [●] |
| Net Proceeds | [●] |

*To be finalized upon determination of the Issue price and will be updated in the prospectus prior to the filing with the RoC

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

| S. No. | Particulars | Amount (₹ in Lakhs) |
|--------|--|---------------------|
| 1. | To Meet Working Capital requirements | [●] |
| 2. | Repayment of a portion of certain borrowing availed by our Company | 300.00 |
| 3. | General Corporate Purpose* | [●] |
| | Total | [●] |

*To be finalized upon determination of the Issue Price and update in the prospectus prior to the filing with the RoC. The amount utilized for general corporate purpose shall not exceed 25% of the Gross Proceeds.

Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

| Particulars | Amount (₹ in Lakhs) |
|--------------------|---------------------|
| Net Issue Proceeds | [●] |
| Total | [●] |

Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in “Objects of the Issue – Variation in Objects” on page 61 of this Draft Red Herring Prospectus. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our

management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 23 of this Draft Red Herring Prospectus.

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. To Meet Working Capital Requirements

With the expansion of the business, company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our business requires working capital majorly for investment in inventories, trade receivables and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ [●] lakhs from the Net Proceeds of the Offer and balance from internal accruals/borrowings at an appropriate time. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

Details of estimation of Working Capital requirement are as follows:

(₹ in Lakhs)

| S. No. | Particulars | Restated Standalone Financial Information | | | Estimated |
|------------|--|---|-----------------|-----------------|-----------------|
| | | March 31, 2022 | March 31, 2023 | March 31, 2024 | March 31, 2025 |
| I | Current Assets | | | | |
| | Inventories | 252.68 | 1,560.96 | 1,130.43 | 1,963.96 |
| | Trade Receivables | 1,997.81 | 3,282.55 | 3,935.62 | 4,383.85 |
| | Short-Term Loans & Advances | 237.51 | 161.52 | 172.21 | 175.35 |
| | Other Current Assets | 748.26 | 950.00 | 792.60 | 1,052.12 |
| | Total (A) | 3,236.27 | 5,955.03 | 6,030.86 | 7,575.29 |
| II | Current Liabilities | | | | |
| | Trade Payables | 1,196.63 | 2,225.16 | 2,175.03 | 2,460.22 |
| | Other Current Liabilities | 700.77 | 475.30 | 393.71 | 233.81 |
| | Short-Term Provisions | 19.09 | 45.14 | 13.17 | 175.35 |
| | Total (B) | 1,916.49 | 2,745.61 | 2,581.91 | 2,869.38 |
| III | Total Working Capital Gap (A-B) | 1,319.78 | 3,209.42 | 3,448.95 | 4,890.92 |
| IV | Funding Pattern | | | | |
| | Short Term borrowings & Internal accrual | 1,319.78 | 3,209.42 | 3,448.95 | [●] |
| | IPO Proceeds | | | | [●] |

Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for years ended March 31, 2024, March 31, 2023 and March 31, 2022, as well as projections for financial year ended March 31, 2025.

| Particulars | Unit | March 31, 2022 | March 31, 2023 | March 31, 2024 | March 31, 2025 |
|-------------------|------|----------------|----------------|----------------|----------------|
| | | Audited | Audited | Audited | Estimated |
| Inventories | Days | 28 | 87 | 71 | 70 |
| Trade Receivables | Days | 114 | 148 | 132 | 130 |
| Trade Payables | Days | 106 | 165 | 116 | 105 |

Justification:

| | |
|--------------------------|--|
| Inventories | The historical holding days of inventories has been in range of 28 days to 87 from FY 21-22 to FY 23-24. The inventory levels are dependent on the nature, size, and timelines of the IT projects. As project volumes increase, so does the need for higher inventory levels to meet demand. For instance, larger or more complex projects often require substantial amounts of inventory to ensure that materials are available when needed, which can lead to longer holding periods. Conversely, smaller projects or those with quicker turnaround times may result in shorter inventory holding days. Given our current order book and plans to expand operations, we anticipate that inventory holding days will average around 70 days for Fiscal 2025. This projection aligns with our need to manage larger inventories due to ongoing and upcoming projects |
| Trade Receivables | The historical holding days for trade receivables have ranged from 114 days to 148 days from FY 2021-22 to FY 2023-24. This extended period is largely due to the nature of our business, which provides IT networking solutions to a diverse range of industries, with a significant portion of our projects being government-related. Government projects typically involve payment cycles ranging from 120 to 140 days, |

| | |
|-----------------------|--|
| | which contributes to the high receivable days reflected in our historical data. Delays in project completion or in the submission of bills to government entities can further lengthen receivable days. Looking ahead, we expect trade receivable days to stabilize at 130 days by FY 2025. This forecasted stability reflects our efforts to improve payment collection processes. We anticipate these improvements will come from enhanced coordination with government departments and greater efficiency in project execution. |
| Trade Payables | The historical trend of trade payable days has ranged from 106 days to 165 days from FY 21-22 to FY 23-24. However, we anticipate reducing this to 105 days in FY 24-25. By shortening the time it takes to settle our payables, we aim to negotiate more favourable terms and conditions with our suppliers, which will help us secure competitive pricing for the IT equipment's we purchase. Additionally, some of our purchases require advance payments to suppliers, and timely payments are crucial for strengthening long-term relationships and maintaining a balanced supply chain. By offering advance and prompt payments, we expect to benefit from cash discounts and better purchase prices, ultimately enhancing the overall profitability of our company. |

2. Repayment of a portion of certain borrowing availed by our Company

Our Company has entered into various borrowing arrangements with banks including borrowings in the form of term loans, business loan, property loan and working capital loan. For details of our outstanding financial indebtedness, see 'Statement of Financial Indebtedness' on page 174 of this Draft Red Herring Prospectus. As at July 31, 2024, we had various borrowings facilities with total Outstanding of ₹ 1858.51 lakhs.

We propose to utilise an estimated amount of ₹300.00 Lakhs from the Net Proceeds to repay in part or full certain borrowing, listed below, availed from the lender by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

(₹ in lakhs)

| Sr. No. | Name of the lender | Nature of the borrowing | Sanctioned amount (Rs. in Lakhs) | Rate of interest (%) | Repayment Date / Schedule | Primary & Collateral Security | Purpose for which the loan was sanctioned | Outstanding amount as on July 31, 2024 (Rs. in lakhs) |
|---------|-----------------------------|-------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|---|---|
| 1. | Indusind Bank | Business Loan | 40.00 | 17.50% | 4th day of month | Nil | Working Capital | 7.54 |
| 2. | IDFC Bank | Business Loan | 40.80 | 16.50% | 3rd day of month | Nil | Working Capital | 22.89 |
| 3. | Hero Fincorp | Business Loan | 40.42 | 19.00% | 3rd day of month | Nil | Working Capital | 16.96 |
| 4. | Mahindra & Mahindra Finance | Business Loan | 25.17 | 19.00% | 10 th day of month | Nil | Working Capital | 15.10 |
| 5. | Bajaj Finance Limited | Business Loan | 20.54 | 19.00% | 3rd day of month | Nil | Working Capital | 10.57 |
| 6. | Neo growth Credit | Business Loan | 75.00 | 18.06% | 5th day of month | Nil | Working Capital | 36.94 |
| 7. | Aditya Birla Finance | Business Loan | 50.00 | 18.00% | 5th day of month | Nil | Working Capital | 24.66 |
| 8. | Fullerton India | Business Loan | 50.00 | 16.50% | 5th day of month | Nil | Working Capital | 20.59 |
| 9. | Axis Bank | Business Loan | 50.00 | 16.00% | 20th day of month | Nil | Working Capital | 16.36 |
| 10. | ICICI Bank | Business Loan | 30.00 | 15.00% | 10th day of month | Nil | Working Capital | 9.71 |
| 11. | HDFC Loan | Business Loan | 65.00 | 13.50% | 6th day of month | Nil | Working Capital | 37.54 |
| 12. | Tata Capital | Business Loan | 40.00 | 13.00% | 25th day of month | | Working Capital | 8.55 |

| | | | | | | | | |
|----------------------|-----------------------------------|-----------------|-------|--------|-------------------------------|---|--------------------|---------------|
| | Finance Services Ltd. | | | | | Nil | | |
| 13 | Profectus Capital Private Limited | Working Capital | 200 | 13.00% | 90 days | First and Exclusive charge on inventory and receivables | Working Capital | 182.34 |
| Total (A) | | | | | | | | 409.75 |
| 14. | PNB Housing Finance Ltd. | Property Loan | 67.25 | 10.75% | 10 th day of month | Note 1 | Purchase of Office | 58.58 |
| Total (B) | | | | | | | | 58.58 |
| 15. | HDFC Bank GECL | Term Loan | 66.38 | 9.25% | 07 th day of month | Nil | Working Capital | 58.37 |
| 16. | HDFC MSME Loan | Term Loan | 49.58 | 9.25% | 07 th day of month | Note 2 | Working Capital | 6.67 |
| Total (C) | | | | | | | | 65.04 |
| Total (A+B+C) | | | | | | | | 533.37 |

**Our Statutory Auditors by way of their certificate dated September 13, 2024 have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/ loan agreements issued by the respective banks.*

Note-1:

Primary Security:

Office space at 2,5, Tower-A, The I-THUM, A-40, Sector-62, Noida, Uttar Pradesh, India-201301 owned by Takyon Networks Limited

Note-2

Primary Security

Book Debts Up To 180 Days, Cash Margin @ 25% For BG, Lc Issued From Other Bank, Personal Guarantee of All The Directors And Property Owners, Stock Up To 180 Days Collateral.

- *EM of Commercial property situated at CP-37, Viraj Khand-4, Gomtinagar, Lucknow-226010 owned jointly by Manish Kumar Sharma & Neeraj Kumar*
- *EM of residential property situated at C-1/203, Sector-1, Gomtinagar Extension, Lucknow-226010 owned jointly by Neeraj Kumar and Sarita Kumari*
- *EM of residential flat situated at Tower-A, Flat No. 601, Belvedere Court, Shalimar One World, Sector-6, Gomtinagar Extension jointly owned by Manish Kumar Sharma and Nidhi Sharma*
- *EM of residential plot situated at Plot No. C-4/951, Gomtinagar Extension, Sector-4, Lucknow-226010 owned jointly by Manish Kumar Sharma & Nidhi Sharma*
- *EM of residential plot situated at C-3/177, Viraj Khand-3, Gomtinagar, Lucknow owned by Manish Kumar Sharma*
- *Residential property at Arazi No-791 Pargana-haweli Tehsil-sadar, Mauzabasharatpur, tappa-kasba Gorakhpur Gorakhpur Uttar Pradesh 273001 owned by Shyam Sunder Sharma*

3. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for

General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus/ Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

Issue Expenses

The total estimated Issue Expenses are ₹ [●] Lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

| Activity | (₹ in Lakh) | As a % of Estimates Issue Expenses | As a % of Issue Size |
|---|-------------|------------------------------------|----------------------|
| Book Running Lead Manger Fees | [●] | [●] | [●] |
| Underwriting Commission | [●] | [●] | [●] |
| Brokerage and selling commission | [●] | [●] | [●] |
| Fees Payable to Registrar to the Issue | [●] | [●] | [●] |
| Fees Payable for Advertising and Publishing Expenses | [●] | [●] | [●] |
| Fees Payable to Regulators including Stock Exchanges | [●] | [●] | [●] |
| Payment for Printing & Stationery, Postage, etc. | [●] | [●] | [●] |
| Fees Payable to Statutory Auditor, Legal Advisors and other Professionals | [●] | [●] | [●] |
| Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses) | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

(i) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

(ii) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

| | |
|--|---|
| Portion for Retail Individual Bidders* | 0.10% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | 0.10% of the Amount Allotted* (plus applicable taxes) |

*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

(iii) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

| | |
|---------------------------------------|---|
| Portion for Retail Individual Bidders | ₹ 10 per valid Bid cum Application Form (plus applicable taxes) |
| Portion for Non-Institutional Bidders | ₹ 10 per valid Bid cum Application Form (plus applicable taxes) |

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(iv) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

| | |
|--|--|
| Members of the Syndicate/ RTAs/ CDPs (uploading charges) | ₹ 10 per valid application (plus applicable taxes) |
| Sponsor Bank - Axis Bank Limited | ₹ 6 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, other agreements and other applicable laws. |

*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

(v) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

| | |
|---------------------------------------|---|
| Portion for Retail Individual Bidders | 0.10% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Bidders | 0.10% of the Amount Allotted* (plus applicable taxes) |

*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

| | |
|--|---|
| Portion for Retail Individual Bidders* | ₹10 per valid application (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | ₹10 per valid application (plus applicable taxes) |

* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ in Lakhs)

| S. No. | Particulars | Amount to be deployed and utilized in F.Y. 24-25 |
|--------|--|--|
| 1. | To Meet Working Capital Requirements | [●] |
| 2. | Repayment of a portion of certain borrowing availed by our Company | 300.00 |
| 3. | General Corporate Purpose | [●] |
| | Total | [●] |

Appraisal

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the DRHP, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

Shortfall of Funds

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

Bridge Financing Facilities

As on the date of the Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, 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. 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 and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other confirmations

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

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 23, 85 and 123 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- a) End to End IT services
- b) Diversified Customer base
- c) Strong Order book
- d) Qualified and Experienced Management Team

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 85 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 123 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements:

| Sr. No | F.Y. | Basic & Diluted (₹) | Weights |
|--------|--------------------------------------|---------------------|----------|
| 1. | Financial Year ending March 31, 2024 | 4.96 | 3 |
| 2. | Financial Year ending March 31, 2023 | 2.67 | 2 |
| 3. | Financial Year ending March 31, 2022 | 3.13 | 1 |
| | Weighted Average | 3.89 | 6 |

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:

| Particulars | (P/E) Ratio at the Floor Price | (P/E) Ratio at the Cap Price |
|--|--------------------------------|------------------------------|
| P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024 | [●] | [●] |
| P/E ratio based on the Weighted Average EPS, as restated. | [●] | [●] |

| Industry P/E Ratio* | (P/E) Ratio |
|-------------------------|--------------|
| Highest | 35.40 |
| Lowest | 18.36 |
| Industry Average | 26.88 |

* We have mentioned those peers which falls in the IT industry for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our peers.

Note:

- i) The P/E ratio of peers has been computed by dividing Market price as on September 11, 2024 with EPS for the F.Y. 2023-24.

3. Return on Net worth (RoNW)

| Sr. No | Period | RONW (%) | Weights |
|--------|------------------------------|---------------|----------|
| 1 | Period ending March 31, 2024 | 18.48% | 3 |
| 2 | Period ending March 31, 2023 | 12.30% | 2 |
| 3 | Period ending March 31, 2022 | 16.44% | 1 |
| | Weighted Average | 16.08% | 6 |

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

4. Net Asset Value (NAV) per Equity Share:

| Sr. No. | NAV per Equity Share | (Amount in ₹) |
|---------|--------------------------------------|---------------|
| 1. | As at March 31, 2022 | 19.04 |
| 2. | As at March 31, 2023 | 21.71 |
| 3. | As at March 31, 2024 | 26.84 |
| 4. | NAV per Equity Share after the Issue | [●] |
| 5. | Issue Price | [●] |

*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year.

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share=Restated Net worth at the end of the year divided by weighted average number of equity shares outstanding at the end of the year
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peer

| Name of Company | Current Market Price (₹) | Face Value | EPS | PE | RoNW (%) | Book Value (₹) | Total Income (₹ In lakhs) |
|---------------------------------|--------------------------|------------|---------------|-------|----------|----------------|---------------------------|
| | | | Basic/Diluted | | | | |
| Takyon Networks Limited | [●] | 10.00 | 4.96 | [●] | 18.48 | 26.84 | 10824.54 |
| Peer Group | | | | | | | |
| Allied Digital Services Limited | 290.50 | 5.00 | 8.07 | 35.40 | 9.29 | 104.64 | 68822 |
| Synoptics Technologies Limited | 130.00 | 10.00 | 7.08 | 18.36 | 9.14 | 77.54 | 4341.66 |

Notes:

- Source – All the financial information for listed industry peers mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2024 and stock exchange data dated September 11, 2024 to compute the corresponding financial ratios. Further, P/E Ratio is based on the current market price of the respective scrips.
- The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2023-24.
- NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2024.
- RoNW has been computed as net profit after tax divided by closing net worth.
- Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.
-

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 13, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by ADV & Associates, Chartered Accountants, by their certificate dated September 13, 2024.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*” on pages 85 and 159, respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance | Consolidated | | Standalone |
|--|--------------|------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Revenue from operations ⁽¹⁾ | 10,750.09 | 6,323.72 | 5,905.56 |
| EBITDA ⁽²⁾ | 1,004.83 | 518.69 | 613.17 |
| EBITDA Margin ⁽³⁾ | 9.35% | 8.20% | 10.38% |
| PAT ⁽⁴⁾ | 522.31 | 281.17 | 329.63 |
| PAT Margin ⁽⁵⁾ | 4.86% | 4.45% | 5.58% |
| RoE ⁽⁶⁾ | 20.43% | 13.10% | 17.73% |
| RoCE ⁽⁷⁾ | 20.08% | 11.08% | 22.03% |

Notes:

⁽¹⁾ Revenue from operation means revenue from sales, service and other operating revenues

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽³⁾ EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses

⁽⁵⁾ PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus Long term borrowings and Short term borrowings+ Deferred Tax liability(net).

Explanation for KPI metrics:

| KPI | Explanations |
|-------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our Business |
| PAT | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business. |
| RoE(%) | RoE provides how efficiently our Company generates profits from shareholders’ funds. |
| RoCE (%) | RoCE provides how efficiently our Company generates earnings from the capital employed in the business. |

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance | Takyon Networks Limited | | | Allied Digital Services Limited | | | Synoptics Technologies Limited | | |
|--|-------------------------|------------|------------|---------------------------------|-------------|------------|--------------------------------|------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2023-24 | FY 2022-23* | FY 2021-22 | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Revenue from operations ⁽¹⁾ | 10,750.09 | 6,323.72 | 5,905.56 | 68706 | 66007 | 48468 | 4324.32 | 5109.37 | 5092.32 |
| EBITDA ⁽²⁾ | 1,004.83 | 518.69 | 613.17 | 8266 | 8772 | 6976 | 1346.31 | 1523.46 | 1098.59 |
| EBITDA Margin (%) ⁽³⁾ | 9.35% | 8.20% | 10.38% | 12.03% | 13.29% | 14.39% | 31.13% | 29.82% | 21.57% |
| PAT ⁽⁴⁾ | 522.31 | 281.17 | 329.63 | 4585 | 5377 | 6103 | 600.67 | 663.09 | 429.31 |
| PAT Margin (%) ⁽⁵⁾ | 4.86% | 4.45% | 5.58% | 6.67% | 8.15% | 12.59% | 13.89% | 12.98% | 8.43% |
| RoE (%) ⁽⁶⁾ | 20.43% | 13.10% | 17.73% | 8.23% | 10.08% | 12.18% | 13.18% | 29.85% | 25.65% |
| RoCE (%) ⁽⁷⁾ | 20.08% | 11.08% | 22.03% | 9.66% | 11.22% | 7.95% | 11.48% | 22.61% | 21.41% |

Notes:

⁽¹⁾ Revenue from operation means revenue from sales, service and other operating revenues

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest/Finance Cost - Other Income

⁽³⁾ EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses

⁽⁵⁾ PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings+ deferred tax liability (net).

* In FY 2022-23, exceptional income is not considered while calculating EBITDA and EBIT in Allied Digital Services Limited.

8. Weighted average cost of acquisition

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

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on May 03, 2024 during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus:

| Date of Allotment | No. of equity Shares allotted | Issue price per equity share (₹) | Nature of allotment | Nature of consideration | Total Consideration (in ₹ lakhs) |
|-------------------|-------------------------------|----------------------------------|---|-------------------------|----------------------------------|
| May 03, 2024 | 70,20,000 | Nil | Bonus Issue of Ratio of 2:1 i.e., Two (2) Bonus Equity Shares for every One (1) Equity Shares held by shareholders. | Other than Cash | Nil |

Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Prospectus:

| Date of transfer | Name of transferor | Name of transferee | of Equity shares | Price Per Equity Share (₹) | Nature of transaction | Total Consideration |
|------------------|---------------------|--------------------|------------------|----------------------------|-----------------------|---------------------|
| May 07, 2024 | Manish Kumar Sharma | Nidhi Sharma | 100 | Nil | By way of Gift | Nil |
| | | Pushpa Sharma | 100 | Nil | | Nil |
| | | Shalini Joshi | 100 | Nil | | Nil |
| | Neeraj Kumar | Pankaj Kumar | 150 | Nil | | Nil |
| | | Bishun Chowdhary | 150 | Nil | | Nil |

Weighted average cost of acquisition & Issue price:

| Type of Transaction | Weighted average cost of acquisition (Rs. Per Equity Shares) | Floor Price* (i.e. Rs. [●]) | Issue Price* (i.e. Rs. [●]) |
|--|--|-----------------------------|-----------------------------|
| Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above | NA [^] | NA [^] | NA [^] |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above. | NA ^{^^} | NA ^{^^} | NA ^{^^} |

| | | | |
|--|------|-----------|-----------|
| Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above | 0.00 | [●] times | [●] times |
|--|------|-----------|-----------|

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Draft Red Herring Prospectus.

^^There were no secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Red Herring Prospectus.

* To be updated at Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Hindi edition of [●], a regional newspaper each with wide circulation where the registered office of the company is situated.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above- mentioned information along with **“Our Business”**, **“Risk Factors”** and **“Restated Financial Statements”** on pages 102, 24 and 148 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in **“Risk Factors”** or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
TAKYON NETWORKS LIMITED
CP 37, Viraj Khand Gomti Nagar,
Lucknow, Uttar Pradesh, India, 226010

Dear Sirs,

Sub: Statement of Possible Special Tax Benefit ('the Statement') available to Takyon Networks Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')

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

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

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

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

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

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

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

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

Annexure to the statement of possible Tax Benefits

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

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

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

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

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

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

Notes:

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

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

Signed in terms of our separate report of even date.

Yours faithfully,

M/s A D V & Associates
Chartered Accountants
Firm Registration No: 128045W

SD/-

CA Vijay Jaju
Partner
M. No. 613332
UDIN: 24613332BKPNHW5313
Date: September 13, 2024
Place: Mumbai, Maharashtra

SECTION V- ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in **“Our Business”** and **“Financial Information”** beginning on pages 85 and 123 respectively of this Draft Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see **“Risk Factors”** beginning on page 23 of this Draft Red Herring Prospectus.

GLOBAL ECONOMIC OUTLOOK

Global growth is projected to stabilize at 2.6 percent this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is then expected to edge up to 2.7 percent in 2025-26 amid modest growth in trade and investment. Global inflation is projected to moderate-but at a slower clip than previously assumed, averaging 3.5 percent this year. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average.

Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, representing more than 80 percent of global population and world output. EMDE growth is forecast to moderate from 4.2 percent in 2023 to 4 percent in both 2024 and 2025. Prospects remain especially lackluster in many vulnerable economies—over half of economies facing fragile-and conflict-affected situations will still be poorer by the end of this year than on the eve of the pandemic.

Global risks remain tilted to the downside despite the possibility of some upside surprises. Escalating geopolitical tensions could lead to volatile commodity prices, while further trade fragmentation risks additional disruptions to trade networks. Already, trade policy uncertainty has reached exceptionally high levels compared to other years that have featured major elections around the world since 2000. The persistence of inflation could lead to delays in monetary easing. A higher-for-longer path for interest rates would dampen global activity. Some major economies could grow more slowly than currently anticipated due to a range of domestic challenges. Additional natural disasters related to climate change could also hinder activity. On the upside, global inflation could moderate more quickly than assumed in the baseline, enabling faster monetary policy easing. In addition, growth in the United States could be stronger than expected.

Against this backdrop, decisive global and national policy efforts are needed to meet pressing challenges. At the global level, priorities include safeguarding trade, supporting green and digital transitions, delivering debt relief, and improving food security. At the national level, persistent inflation risks underscore the need for EMDE monetary policies to remain focused on price stability. High debt and elevated debt-servicing costs will require policy makers to seek ways to sustainably boost investment while ensuring fiscal sustainability. To meet development goals and bolster long-term growth, structural policies are needed to raise productivity growth, improve the efficiency of public investment, build human capital, and close gender gaps in the labor market.

Global outlook

The global economy is stabilizing, following several years of negative shocks. Global growth is projected to hold steady at 2.6 percent this year, despite flaring geopolitical tensions and high interest rates, before edging up to 2.7 percent in 2025-26 alongside modest expansions of trade and investment. Global inflation is expected to moderate at a slower clip than previously assumed, averaging 3.5 percent this year. Central banks in both advanced economies and emerging market and developing economies (EMDEs) are likely to remain cautious in easing policy. As such, markedly higher interest rates than prior to the pandemic are set to sustain for an extended period. Despite some improvement, the outlook remains subdued. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average, with a slower pace of expansion in economies comprising over 80 percent of the global population. EMDE growth is projected to moderate from 4.2 percent in 2023 to 4 percent in 2024. Amid heightened conflict and violence, prospects remain especially lackluster in many vulnerable economies—over half of fragile and conflict-affected economies will still be poorer in 2024 than on the eve of the pandemic. Risks have become more balanced but remain tilted to the downside. Escalating geopolitical tensions could lead to volatile commodity prices. In a context of elevated trade policy uncertainty, further trade fragmentation risks additional disruptions to trade networks. More persistent inflation could lead to higher-for-longer interest rates. Other risks include weaker-than anticipated activity in key economies and disasters related to climate change. Against this backdrop, policy makers face daunting challenges. Global efforts are needed to safeguard trade, support green

and digital transitions, deliver debt relief, and improve food security. Still-pronounced inflation risks underscore the need for EMDE monetary policies to remain focused on price stability. High debt and elevated debt-servicing costs will require EMDE policy makers to balance sizable investment needs with fiscal sustainability. To meet development goals, policies are needed to raise productivity growth, improve the efficiency of public investment, build human capital, and close gender gaps in the labor market.

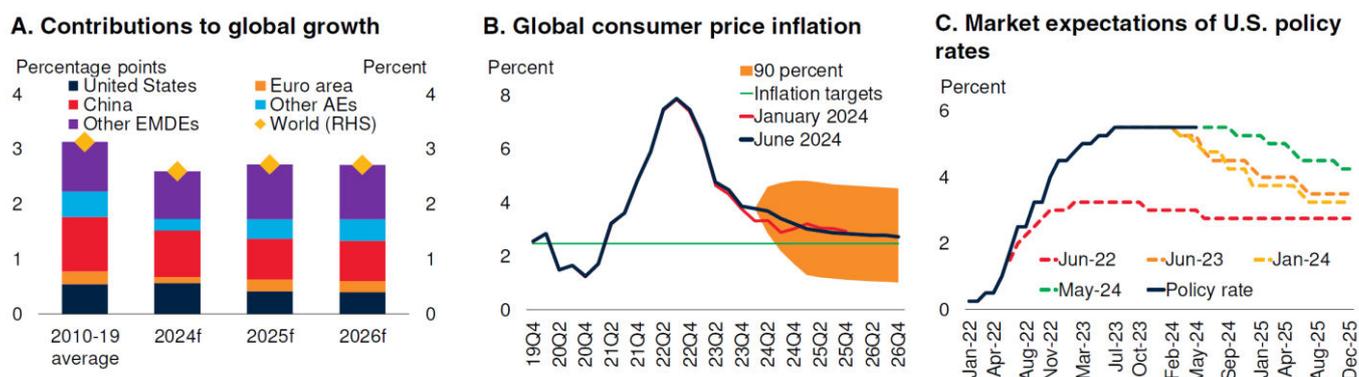
Global prospects

The global economy is stabilizing but the outlook remains subdued—both advanced economies and EMDEs are projected to grow at a slower pace over 2024-26 than in the pre-pandemic decade. Recent upward pressures on global core inflation are anticipated to gradually ease, such that headline inflation converges to levels broadly consistent with central bank targets by 2026. Market expectations for the path of U.S. policy rates have been repeatedly revised higher. Amid elevated borrowing costs, about two-fifths of EMDEs are acutely vulnerable to debt stress. In 2024-25, growth is expected to underperform its 2010-19 average in countries comprising more than 80 percent of global output and population. The multiple shocks of recent years have impeded per capita income catch-up, with almost half of EMDEs losing ground relative to advanced economies over 2020-24.

The global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical tensions, global activity firmed in early 2024. Global growth is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. economy. However, the extent of expected declines in global interest rates has moderated amid lingering inflation pressures in key economies. By historical standards, the global outlook remains subdued: both advanced economies and emerging market and developing economies (EMDEs) are set to grow at a slower pace over 2024-26 than in the decade preceding the pandemic (figure A).

Inflation continues to wane globally, making progress toward central bank targets in advanced economies and EMDEs, but at a slower pace than previously expected. Core inflation has remained stubbornly high in many economies, supported by rapid growth of services prices. Over the remainder of 2024, continued tight monetary policy stances and slowing wage increases should help reduce inflation further. By the end of 2026, global inflation is expected to settle at an average rate of 2.8 percent, broadly consistent with central bank targets (figure B)

The anticipated extent of monetary easing in advanced economies this year has diminished substantially since late 2023—by more than a percentage point in the case of the United States. Expected policy rate paths diverge across major economies, as the European Central Bank proceeds with policy easing while the U.S. Federal Reserve keeps rates on hold for longer. Indeed, aside from short-term fluctuations, market expectations for the path of U.S. interest rates have repeatedly moved higher since 2022 (figure C). Despite this market reassessment, global financial conditions have eased this year, reflecting solid risk appetite following last year’s progress on disinflation and diminished concerns about the possibility of a sharp slowdown in global growth. In particular, global equity markets have made sizable gains

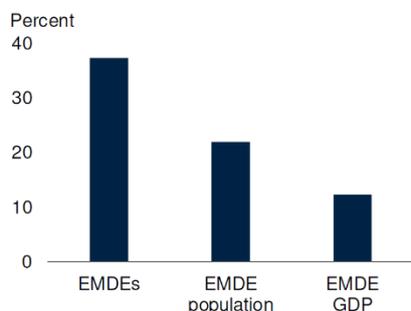


EMDE financial conditions similarly became more accommodative early this year, aided by declining domestic policy rates, improving global sentiment, and expected easing of advanced economy monetary conditions. EMDE conditions turned somewhat less accommodative in the second quarter, as a strengthening of the U.S. dollar—prompted by geopolitical tensions and firm inflation data in the United States—coincided with a bout of capital outflows. Although market perceptions of sovereign credit risk have generally eased this year, EMDE borrowing costs continue to be high, and marked divergences persist. Indeed, credit ratings and debt sustainability analyses indicate that about 40 percent of EMDEs remain acutely vulnerable to debt-related stress (figure D).

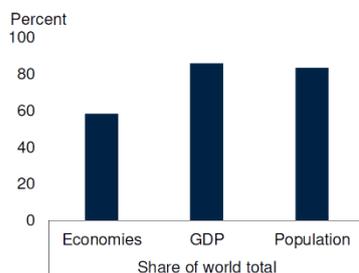
Across the forecast horizon, global growth remains lackluster by recent historical standards, at about 0.4 percentage point below the 2010-19 average. In 2024-25, growth is set to underperform its average pace in the 2010s in nearly 60 percent of economies, representing more than 80 percent of global output and population (figure 1.1.E). The subdued outlook—despite the anticipated moderation of various cyclical headwinds underscores a secular deceleration of potential growth in many large economies. Relative to prepandemic norms, growth has weakened notably in countries that experienced high rates of inflation, much of which emanated from shocks to supply chains and commodity prices. Yet this trend is set to continue in the coming years, suggesting potentially enduring supply-side weakness.

GDP per capita in EMDEs is forecast to grow at about 3 percent on average over 2024-26, well below the average in 2010-19. Excluding China, EMDE per capita GDP growth is forecast to be lower still, averaging 2.5 percent over 2024-26. Some large EMDEs, such as India, are expected to see continued solid per capita growth. Yet the trend of the 2020s so far is one of uneven and limited progress. Nearly half of EMDEs are set to lose ground relative to advanced economies when viewed over the 2020-24 period (figure F). Although this trend is expected to improve somewhat over 2025-26 in EMDEs as a whole, per capita growth is set to remain stagnant in many LICs and FCS.

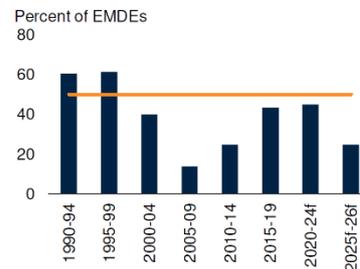
D. Share of EMDEs vulnerable to debt-related stress



E. Lower average GDP growth in 2024-25 compared to 2010-19



F. Share of EMDEs with GDP per capita growth lower than in advanced economies



(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/6feb9566-e973-4706-a4e1-b3b82a1a758d/content>)

INDIAN ECONOMY OUTLOOK

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 295.36 lakh crores (US\$ 3.54 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-June 2025, India's exports stood at US\$ 109.11 billion, with Engineering Goods (25.35%), Petroleum Products (18.33%) and electronic goods (7.73%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

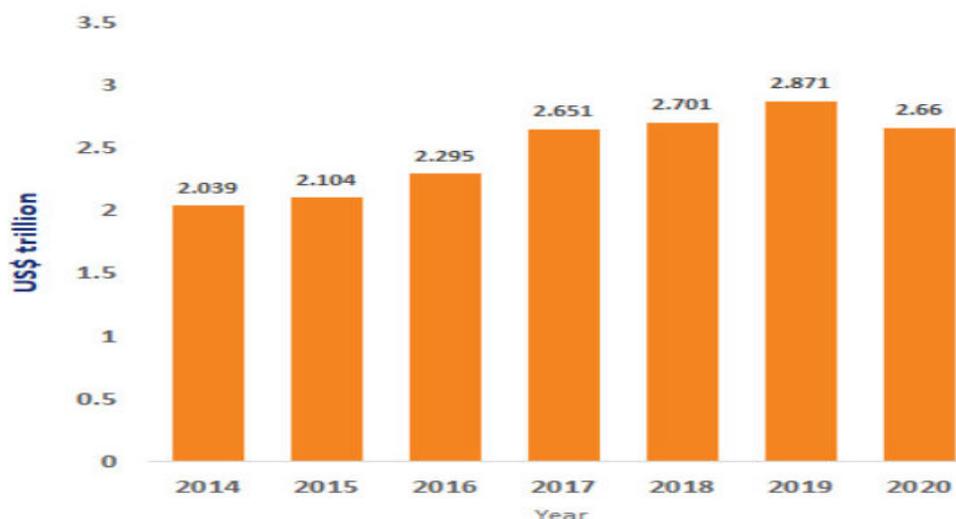
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 173.82 lakh crores (US\$ 2.08 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector is poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving

India's Gross Domestic Production



the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between the same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 23.2 billion for the 2023-24 compared to US\$ 67.0 billion or 2.0% of GDP in the preceding year. This was

largely due to decrease in merchandise trade deficit. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of July 5, 2024, India's foreign exchange reserves stood at US\$ 657.15 billion.
- In May 2024, India saw a total of US\$ 6.9 billion in PE-VC investments.
- Merchandise exports in June 2024 stood at US\$ 35.20 billion, with total merchandise exports of US\$ 109.96 billion during the period of April 2024 to June 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In June 2024, the gross Goods and Services Tax (GST) stood at the highest monthly revenue collection at Rs. 1.74 lakh crore (US\$ 20.83 billion) vs Rs. 1.73 lakh crore (US\$ 20.71 billion)
- Between April 2000–March 2024, cumulative FDI equity inflows to India stood at US\$ 97 billion.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.

Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Note: Conversion rate used for January 2024 is Rs.1 = US\$ 0.012

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

IT Industry of India:

The IT industry accounted for 7.5% of India's GDP, as of FY23. India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's GDP. The IT industry added 2.9 lakh new jobs taking the industry's workforce tally to 5.4 million people in FY23.

India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's gross domestic product (GDP), Infomercials Ratings said in a report. According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth and was estimated to have touched US\$ 245 billion in FY23. As per a survey by AWS (2021), India is expected to have nine times more digitally skilled workers by 2025. This indicates that a total of ~ 3.9 billion digital skill trainings are expected by 2025. India will need 30 million digitally skilled professionals by 2026.

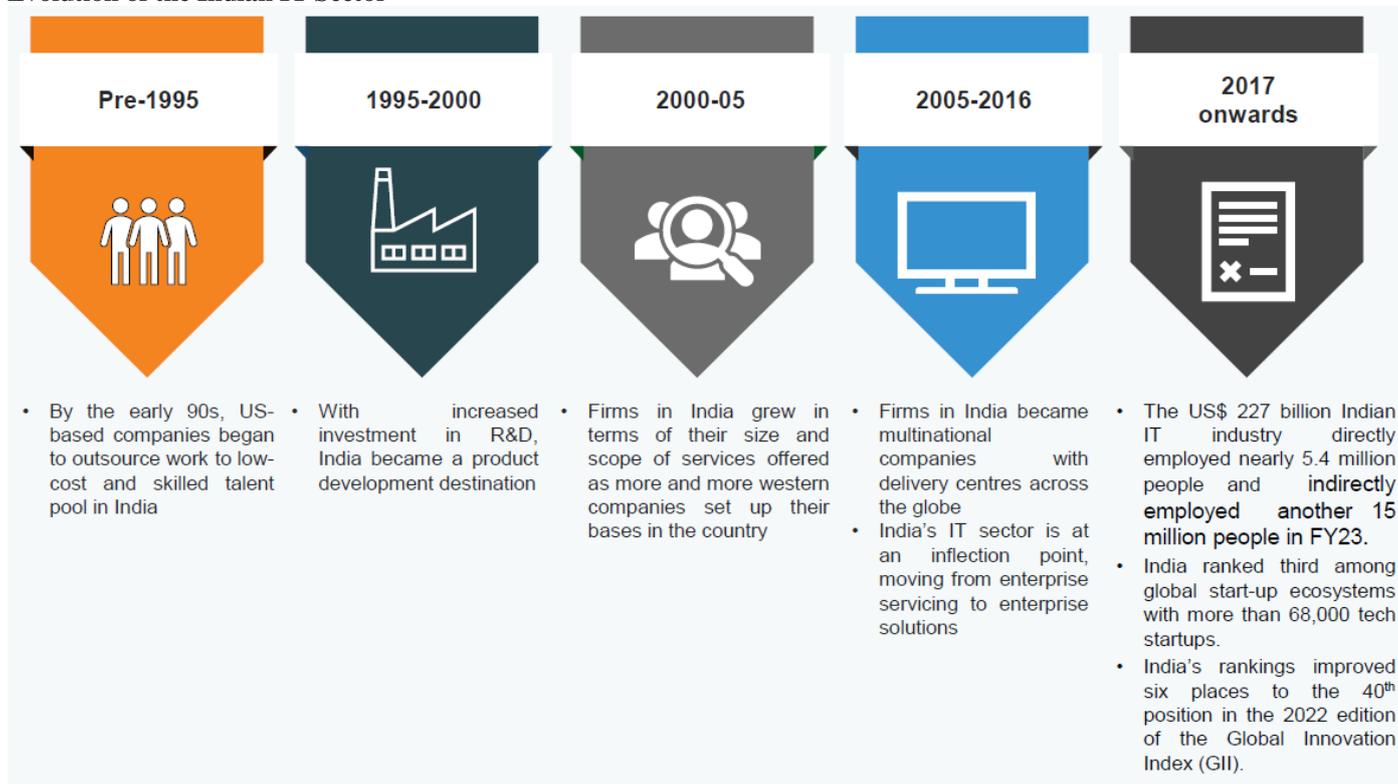
Direct employment in the IT services and BPO/ITeS segment was estimated to reach 5.4 million in FY23 with an addition of 290,000 people. Exports from the Indian IT services industry stood at US\$ 199 billion in FY24.

This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025.

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India's technology industry is on track to double its revenue to US\$ 500 billion by 2030. India's overall Digital Competitiveness Score of 60 (on 100), Ahead of every BRICs nations besides China, reflects the rise of tech talent in the country. Japanese investments in the Indian IT sector grew 4X between 2016-20. Investments stood at US\$ 9.2 billion over the last two decades. In FY22, the top three Indian IT companies, TCS, Wipro and Infosys, were expected to offer ~1.05 lakh job opportunities due to the increasing demand for talent and skill. India's IT and business services market is projected to reach US\$ 19.93 billion by 2025. The IT spending in India is estimated to record a double digit growth of 11.1 per cent in 2024, totaling US\$ 138.6 billion up from US\$ 124.7 billion last year. The government prioritizes cybersecurity, hyper-scale computing, AI, and blockchain. With data costs at Rs. 10/GB (US\$ 0.12/GB), India ranks among the world's cheapest. The Ministry of Electronics and Information and Technology (MeitY) had approved 14 eligible applicants under the production linked incentive scheme (PLI) for IT hardware.

Evolution of the Indian IT Sector



Segments of India's IT sector:

IT Services:

- Estimated market size was US\$ 125 billion in 2023.
- Over 81% of revenue comes from the export market.
- BFSI continues to be the key vertical for the IT sector.
- IT services is estimated to account for about 51.2% of the IT & BPM market revenue in India in 2023.

Software products and engineering services:

- Estimated market size was US\$ 54 billion during 2023.
- Over 83.9% of revenue comes from exports.
- It is estimated to have around 22.1% revenue share in the Indian IT space in 2023.

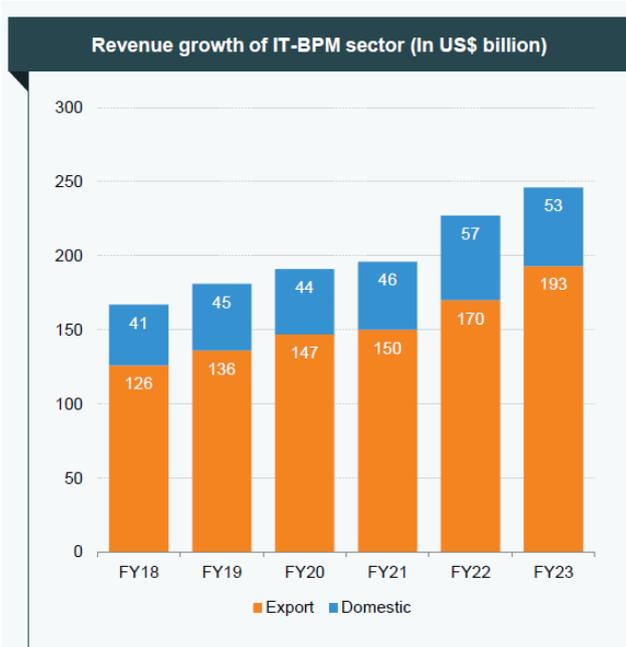
Hardware:

- Estimated market size was US\$ 18 billion in 2023.
- The domestic market accounts for a significant share.
- The share of hardware in the IT & BPM sector is estimated to be around 7.4% in 2023.

India's IT market size growing:

- The IT industry added 2.90 lakh new employees in FY23, bringing the total employment in the sector to 54 lakh employees.
- India's technology industry is on track to increase the revenue to US\$ 500 billion by 2030.
- Direct employment in the IT services and BPO/ITeS segment is estimated to reach 5.4 million in FY23 with an addition of 290,000 people.
- The IT-BPM services revenue reached US\$ 128.4 billion in FY23.

- In FY2023 the Indian domestic IT & Business Services market was valued at US\$ 53 billion as against US\$ 57 billion in FY2022.
- By 2025-26, India is expected to have 60–65 million jobs that require digital skills, according to a Ministry of Electronics & IT report titled "India's trillion-dollar digital opportunity."



- In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling in its competitive strength with zero government interference. He further added that service exports from India had the potential to reach US\$ 1 trillion by 2030.

- India's IT spending is anticipated to reach US\$ 124.6 billion in 2024, reflecting a 10.7% increase from 2023, according to Gartner.

- India's public cloud services market grew to US\$ 3.8 billion in 1H2023, expected to reach US\$ 17.8 billion by 2027

- India's digital economy is estimated to reach US\$ 1 trillion by 2025.

- Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, according to NITI Aayog.

- The Karnataka government signed three MoUs worth US\$ 13.4 million to help the state's emerging technology sector.

Recent Trends and Strategies:

1. **Global delivery Model:** Indian software product industry

is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres. In line with this, in February 2021, Tata Consultancy Services announced plans to recruit 1,500 technology employees across the UK over the next year. The development would build capabilities for TCS to deliver their services efficiently to the UK customers.

2. **India to become the data annotation and labelling hub:** The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed almost 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

3. **New technologies:** Disruptive technologies such as cloud computing, social media and data analytics are offering new avenues of growth across verticals for IT companies. The SMAC (social, mobility, analytics, cloud) market stood at US\$ 225 billion in 2020. In June 2022, ZStack International, a worldwide market leader in cloud computing, IaaS and PaaS solutions, announced that they were entering India and the SAARC Region. American-Irish consumer credit reporting company Experian is planning a major expansion of its global innovation centre (GIC) in Hyderabad to about 4,000 employees over the next three to five years. According to sources, GIC will concentrate on employing emerging technologies in the BFSI (banking, financial services, and insurance) sector, including cloud computing, big data analytics, artificial intelligence, and machine learning.

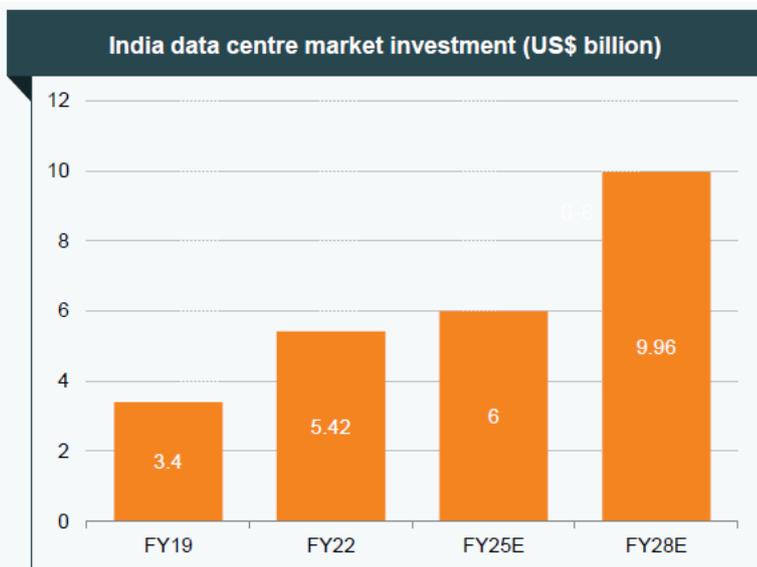
Growth Drivers and Opportunities:

1. **Combat Cyber-Security:** The Data Security Council of India (DSCI) - National Center of Excellence for Cyber Security Technology Development (NCoE) and Chitkara University have collaborated to undertake joint programs on cyber security and privacy. In April 2022, the Indian Computer Emergency Response Team (CERT-In) issued directions to strengthen the cybersecurity in the country.
2. **Talent Pool:** India will need over 30 million digitally skilled professionals by 2026. According to a NASSCOM report, India ranks first in AI skill penetration and talent concentration and fifth in AI scientific publications. According to a report published by Microsoft, consultancy firm Bain & Co, and industry body Internet and Mobile Association of India (IAMAI), India produces 16% of the entire world's AI talent pool – the third highest in the world.
3. **Public Cloud Market:** The revenue of India's public cloud services market totalled US\$ 6.2 billion in 2022, and it is expected to reach US\$ 17.8 billion by 2027 growing at a CAGR of 23.4%. Comparing to pre-pandemic level from FY2019, the cloud deals in FY2023 have grown by more than 4 times. Cloud's potential is boundless, and it forms a crucial foundation for successful digital transformation.
4. **Infrastructure:** Infrastructure software revenue in India was forecasted to reach US\$ 4.6 billion in 2021, an increase of 12% YoY, driven by rising demand for security-as-a-service offerings, and detection and response capabilities.
5. **Policy Support:** More liberal system for raising capital, seed money and ease of doing business. Government of India launched India AI Mission in March 2024, with an initial outlay of Rs. 10,300 crore (US\$ 1.2 billion) to bolster India's AI ecosystem. The government introduced the STP Scheme, which is a 100% export oriented scheme for the development and export of

computer software, including export of professional services using communication links or physical media. Tax holidays for STPI and SEZs.

Accelerating demand for cloud to be a major growth driver:

- With digital transformation accelerating across sectors, the pandemic has driven demand for cloud services worldwide, and the Internet has become a lifeline for people both for work and entertainment. This move towards cloud services has accelerated hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion per year by 2025.
- India's data centre market is expected to reach a value of US\$ 9.96 billion by 2028 from US\$ 5.42 billion in 2022, growing at a CAGR of 10.69%.



- India's data center industry is rapidly expanding, projected to double its capacity from 0.9 GW in 2023 to nearly 2 GW by 2026.

- The demand for cloud technology professionals is expected to reach 2 million by 2025.

- The cumulative investments in data centres in India are estimated to reach US\$ 28 billion between 2019-25, at a CAGR of 5%, 2x faster than the global average.

- The COVID-19 pandemic has accelerated the demand for third-party data centre services in India.

- The key data centre locations are Mumbai, Chennai, Bangalore, Hyderabad and Delhi (NCR).

- In November 2022, Amazon Web Services

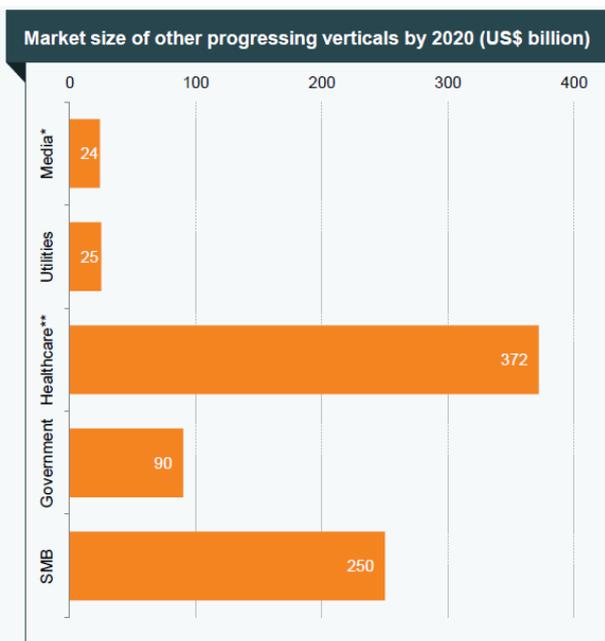
announced the launch of its second AWS infrastructure region in India - the AWS Asia Pacific (Hyderabad) Region. By 2030, it is anticipated that the region will support more than 48,000 full-time jobs annually thanks to investments totalling more than US\$ 4.4 billion in India.

- In November 2022, Google established a partnership with local gaming startup SuperGaming through its Google Cloud division. As part of the collaboration, game developers who use Google Cloud to create, host, and distribute their games will have access to Super Gaming's Super Platform game engine.
- In July 2021, Ascendas Property Fund Trustee Pte. Ltd, the trustee manager of Ascendas India Trust (a-iTrust), announced plans to build data centres in India and invest Rs. 1,200 crore (US\$ 160.67 million) to develop phase one of its first data centre campus in the country.
- Amazon partnered with Airtel to sell Amazon Web Services (AWS) to its customers and intends to inject US\$ 1.6 billion in their two upcoming data centres in Hyderabad.

Expansion of focus areas to aid future growth:

- The Cabinet approved an allocation of over US\$ 1.2 billion (Rs 10,300 crore) for the IndiaAI Mission, marking a significant step towards bolstering India's AI ecosystem. This substantial financial infusion, slated over the next 5 years, is poised to catalyse various components of the IndiaAI Mission, including pivotal initiatives like the IndiaAI Compute Capacity, IndiaAI Innovation Centre (IAIC), IndiaAI Datasets Platform, IndiaAI Application Development Initiative, IndiaAI FutureSkills, IndiaAI Startup Financing, and Safe & Trusted AI. A cornerstone of this effort is the IndiaAI Compute Capacity, envisioned

to erect a cutting-edge, scalable AI computing infrastructure by deploying over 10,000 Graphics Processing Units (GPUs) through strategic public-private collaborations.



- Technologies, such as telemedicine, health, remote monitoring solutions and clinical information systems, would continue to boost demand for IT services across the globe.
- IT sophistication in the utilities segment and the need for standardisation of the process are expected to drive demand.
- Digitisation of content and increased connectivity is leading to a rise in IT adoption by the media.
- RBI is executing a plan to reduce online transaction costs to encourage digital banking in India.
- The rollout of fifth-generation (5G) wireless technology by telecommunication companies is expected to bring at least US\$ 10 billion global business to Indian IT firms by 2019-25.
- Emerging geographies would drive the next phase of growth for IT firms in India.
- AI and new-age tech to increase India's annual growth rate by 1.3% by 2035.

- Focus on building local credible presence, high degree of domain expertise at competitive costs and attaining operational excellence hold key to success in new geographies.
- Emphasis on export of IT services to current importers of other products and services.

Countries offering growth potential to IT firms

| Country | IT spend | India's penetration | Key segments |
|-----------|------------------|---------------------|--|
| Canada | US\$ 63 billion | ~1.5% | Enterprise applications, cyber security, healthcare IT |
| Europe | US\$ 230 billion | <1.5% | IT sourcing, BPM, IS outsourcing, CAD |
| Japan | US\$ 235 billion | <1% | CRM, ERP, Salesforce automation, SI |
| Spain | US\$ 26 billion | <1.5% | IT sourcing, SI |
| Mexico | US\$ 29 billion | ~4% | IT sourcing, BPM |
| Brazil | US\$ 47 billion | ~2% | Low level application management, artificial intelligence, R D |
| China | US\$ 105 billion | <1% | Software outsourcing, R&D |
| Australia | US\$ 48 billion | ~4% | Procurement outsourcing, infrastructure software and CAD |

Source: <https://www.ibef.org/industry/information-technology-india>

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” 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. In this section, a reference to the “Company” or “we”, “us” or “our” means Takyon Networks Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 123 of this Draft Red Herring Prospectus.

BUSINESS OVERVIEW

We are in the business of providing comprehensive networking and IT infrastructure solutions, serving a diverse range of clients, including government agencies and corporate enterprises. Our services include IT networking solutions, data center solutions, IT security and surveillance, cloud and managed services. We also offer maintenance and support services to our clients through formal contracts, providing expert technical support.

Our range of customized offerings and our ability to specifically tailor solutions to the specific needs of customers have enabled us to garner prominent customers across different industries. Our clients include major players in sectors like Telecom, IT & ITes, Energy, Public administration enterprise, Education, Railways, and Defense. We undertake various activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data center infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi-location infrastructure of domestic clients. Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery.

Our Company is authorized System/Network Integrator (SI) in National level – Category in UP Circle for establishment of customers Private Network Equipment on Turnkey basis and maintenance of customers and equipment, LAN/WAN etc. for DATA services for Internet Service Provider (ISP) i.e. Bharat Sanchar Nigam Limited. We are also empaneled with UPDESCO, UPELC, ITI, and UPRNN for providing IT solutions & services. We are authorized partner to multiple OEM’s including Ruckus (Ruckus Ready Partner Program), Juniper, Sophos, Hitachi, Nokia, HP and Dell Technologies.

Our business operations are, currently, concentrated in India, and our revenues are predominately generated from India. We operate out of our headquarters and corporate office situated in Lucknow - Uttar Pradesh. Our infrastructure includes adequate office space, high grade desktops for development, support and testing, firewall, IPS and IDS Systems for safeguarding data and systems, redundant internet leased lines, uninterrupted power supply. Additionally, we also have a branch located in New Delhi.

We believe that maintaining a high standard of quality in our product and process quality is critical to our growth and success. To this effect, we have implemented quality systems to ensure the quality of our products and solutions offerings. We have received ISO 27001:2012 (Information Security Management System), ISO 20000-1:2018 (Information Technology Services Management), ISO 9001:2015 (Quality Management System) certifications. We have also been awarded CMMI Maturity Level 3 Certificate. We have been awarded as Partner of the year – Government, 2022 from Palo Alto Networks, Cybersecurity partner of choice.

We are led by experienced and technically qualified Promoters. Mr. Manish Kumar Sharma, our Chairman & Managing Director, has over 22 years of experience, while Mr. Neeraj Kumar, our Chief Executive Officer & Whole Time Director, has more than 25 years of experience in the IT infrastructure industry. Each of them brings a unique set of operational strengths to the Company. For more details, see ‘Our Management – Brief Profile of our Directors’ on page 107. In addition to our Promoters, who also serve as our executive directors, our strong and robust Board of Directors comprises individuals who contribute their respective experience and expertise to our operations.

Our notable projects completed so far includes:

| Customer Name | Description | Amount (Rs. in lakhs) |
|---|---|-----------------------|
| National Informatics Centre Services Incorporated (NICSI), Delhi | Network/Web Security Solution – Firewall | 910.17 |
| Deen Dayal Upadhyaya Gorakhpur University, Higher Education Department, Uttar Pradesh | Installation, Testing and Commissioning charges Cable laying with casing capping, Supply of Desktop, Switches, panels, Modules and UPS | 319.96 |
| Western Railways | Supply, Installation, Testing & Commissioning integrated surveillance security system PF 1 to 12 and concourse hall, waiting hall, foot over bridge, parking area, entry/exit area & ticket counters at Ahmedabad station as per RDSO specification | 191.18 |

| | | |
|---|--|--------|
| | RDSO/SPN/TC/65 2019 Rev. 5.0 of Ahmedabad Division | |
| Centre for Development of Telematics (C-DOT), Ministry of Communications | Security solutions for ISRP Portal – Web Hosting | 135.72 |
| Hindustan Aeronautics Limited (HAL) | Extension of CCTV Surveillance System | 71.87 |

The following table presents the bifurcation of revenue by state-wise for the fiscals ended on 2024, 2023 and 2022:-

(Rs. in Lakhs excepts percentage)

| Geographical Areas | As of and for the year/period ended (Based on Standalone Financial statement) | | | | | |
|--------------------|---|----------------|-----------------|----------------|-----------------|----------------|
| | March 31, 2024 | % | March 31, 2023 | % | March 31, 2022 | % |
| Uttar Pradesh | 3,797.74 | 38.02% | 4,208.09 | 64.54% | 3,344.45 | 56.63 |
| Bihar | 2,553.61 | 25.56% | 32.32 | 0.50% | 50.73 | 0.86 |
| Madhya Pradesh | 1,002.89 | 10.04% | 836.42 | 12.83% | 2.78 | 0.05 |
| Chhattisgarh | 609.13 | 6.10% | 0.38 | 0.01% | - | 0.00 |
| Delhi | 597.90 | 5.99% | 253.67 | 3.89% | 1,866.23 | 31.60 |
| Assam | 481.72 | 4.82% | 316 | 4.85% | 0.06 | 0.00 |
| Other States | 946.31 | 9.48% | 873.75 | 13.40% | 641.31 | 10.86 |
| Total | 9,989.30 | 100.00% | 6,520.63 | 100.00% | 5,905.56 | 100.00% |

Key Performance Indicators of our Company

(Rs. in Lakhs except percentages and ratios)

| Key Financial Performance | Consolidated | | Standalone |
|--|--------------|------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Revenue from operations ⁽¹⁾ | 10,750.09 | 6,323.72 | 5,905.56 |
| EBITDA ⁽²⁾ | 1,004.83 | 518.69 | 613.17 |
| EBITDA Margin ⁽³⁾ | 9.35% | 8.20% | 10.38% |
| PAT ⁽⁴⁾ | 522.31 | 281.17 | 329.63 |
| PAT Margin ⁽⁵⁾ | 4.86% | 4.45% | 5.58% |
| RoE ⁽⁶⁾ | 20.43% | 13.10% | 17.73% |
| RoCE ⁽⁷⁾ | 20.08% | 11.08% | 22.03% |

Notes:

⁽¹⁾Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

⁽²⁾EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽³⁾EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾PAT is taken as Profit for the year attributable to the shareholders of the Company

⁽⁵⁾PAT Margin' is calculated as Profit for the year attributable to Shareholders of the Company divided by revenue from operations.

⁽⁶⁾Return on Equity is ratio of Profit for the year attributable to shareholders of the Company and Average Shareholder Equity

⁽⁷⁾Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings and short – term borrowings + deferred tax liability(Net)

Our Competitive Strengths:

We believe that the following are our primary competitive strengths:

➤ End to End IT services

We provide end-to-end IT - services to our customers that support their software applications and businesses throughout the full business life-cycle. At each stage of the business life-cycle, we offer services designed to address the customers' specific needs as businesses move from different stages of maturity. These offerings are suitable for companies of all sizes. Our services ranges from enterprise networking, network security, Audio-Visual (AV) & collaboration services, security & surveillance, data centers and cloud solutions, and managed services. We believe that our end to end IT services and solutions enables us to grow our client relationships and scope of engagements, as well as instill our clients with confidence in our ability to address their diverse and dynamic business needs.

➤ Diversified Customer base

We serve a diversified client base catering to various industries belonging to sectors including the Government Sector, Esteemed Universities and Institute of National Importance, Hospitality, Renowned names from the banking industry, etc. We have developed long-standing relationships with some of these customers, who have been with us for over years. Our existing client relationship helps us to get repeat business from our clients. We believe that our relationship with the existing clients represents a competitive advantage in our business strategy and to the growth of our business.

(Rupees in Lakhs excepts percentage)

| Verticals | As of and for the year/period ended (Based on Standalone financial statement) | | | | | |
|---|---|---------------|----------------|---------------|-----------------|---------------|
| | March 31, 2024 | % | March 31, 2023 | % | March 31, 2022 | % |
| Public Administration | 4,057.24 | 40.67 | 2,460.01 | 37.45 | 2,695.16 | 44.88 |
| IT & ITES | 1,995.72 | 20.01 | 799.67 | 12.18 | 2,149.97 | 35.8 |
| Energy | 1,380.20 | 13.84 | 971.12 | 14.79 | 67.84 | 1.13 |
| Public Infra | 835.4 | 8.37 | 336.92 | 5.13 | 228.7 | 3.81 |
| Railways | 404.86 | 4.06 | 777.09 | 11.83 | 383.33 | 6.38 |
| Education | 357.86 | 3.59 | 497.48 | 7.57 | 214.73 | 3.58 |
| Defense | 288.82 | 2.9 | 121.08 | 1.84 | 10.49 | 0.17 |
| Others (Real Estate, Food & Beverages, Health Pharmacy, BFSI, Automobile, Media, Hospitality, Security) | 655.29 | 6.56 | 604.49 | 9.19 | 255.2 | 4.26 |
| Total | 9975.38 | 100.00 | 6567.97 | 100.00 | 6,005.43 | 100.00 |

(Rupees in Lakhs excepts percentage)

| Verticals | As of and for the year/period ended (Based on Standalone financial statement) | | | | | |
|--------------|---|---------------|----------------|---------------|----------------|---------------|
| | March 31, 2024 | % | March 31, 2023 | % | March 31, 2022 | % |
| Govt. | 5,882.33 | 58.97 | 4,283.30 | 65.21 | 3,300.53 | 54.96 |
| Non- Govt. | 4,093.05 | 41.03 | 2,284.67 | 34.79 | 2,704.90 | 45.04 |
| Total | 9975.38 | 100.00 | 6567.97 | 100.00 | 6005.43 | 100.00 |

➤ **Strong Order book**

As of July 31, 2024, we maintain a robust order book exceeding INR 7,720.76 Lakhs. We believe that our order book offers partial visibility into revenues from our business, enabling us to strategically plan our expansion and capital requirements in line with business growth. Our order book as of July 31, 2024, is outlined below:

| S. No. | Name of Organization | (Amount in lakhs) * |
|--------|--|---------------------|
| 1 | Bihar State Electronic Development Corporation Limited | 2,065.67 |
| 2 | Madhya Pradesh Power Generating Company Limited | 410.34 |
| 3 | NCC Limited, AIIMS Bibinagar | 1872.47 |
| 4 | Bihar State Electronic Development Corporation Limited | 1037.94 |
| 5 | Bharti Airtel Limited | 804.47 |
| 6 | Department of Governance Reforms Punjab | 191.66 |
| 7 | Janeshwar Mishra Park | 331.86 |
| 8 | Bharat Sanchar Nigam Limited, Bangalore | 243.41 |
| 9 | Public Works Department, Uttar Pradesh | 143.77 |
| 10 | Skynet Services (5 years of O & M Pending) | 80.10 |
| 11 | Public Works Department, Uttar Pradesh | 113.70 |
| 12 | Research Designs & Standards Organization (RDSO) | 86.02 |
| 13 | Bihar State Electronic Development Corporation Limited | 70.56 |
| 14 | NTPC Unchahar | 59.00 |
| 15 | Uttar Pradesh Rajkiya Nirman Nigam Ltd. (UPRNN) | 55.43 |
| 16 | Uttar Pradesh Development Systems Corporation | 35.12 |
| 17 | HAL, Kanpur | 46.92 |
| 18 | HAL, Kanpur | 38.55 |
| 19 | Bharat Sanchar Nigam Limited, Patna | 33.77 |
| | Total | 7,720.76 |

* including taxes.

➤ **Qualified and Experienced Management Team:**

Our Promoters Manish Kumar Sharma, Chairman & Managing Director has more than 22 years of experience and Neeraj Kumar, Chief Executive Officer & Whole Time Director; has more than 25 years of experience, in the IT Infrastructure industry. Our Board of Directors is supported by a team of highly experienced and qualified personnel who guide the company in its pursuit of corporate excellence and technological innovation. Our management's experience, talent, and vision help us achieve our goal of delivering superior customer value and enable us to capitalize on both current and future market opportunities. For further details regarding the experience of our Board of Directors and Key Managerial Personnel, please refer to the chapter titled "*Our Management*," beginning on page 107 of this Draft Red Herring Prospectus.

Our Business Strategies

➤ **Focus on New Service Offerings and technology-enabled through Innovation**

We regularly track new technologies, industry segments, and market trends in the IT sector. We plan to expand our service offerings to include IoT and Artificial Intelligence. Currently, we are working on applying IoT to solar panels for climate and weather monitoring. We are also exploring opportunities in cybersecurity to establish Security Operations Centres for various departments. Our aim is to gain expertise in emerging technology platforms, providing value-added services, cost competitiveness, speed, and user-friendly solutions. Our company is committed to leveraging innovative ideas and concepts to meet the performance parameters set by clients in their daily business processes.

➤ **Continue to maintain strong relationships with our customers**

We believe that maintaining strong relationship with customers is a most critical factor to keep the business growing and secure repeat business. We will continue to focus on timely delivery of quality services which will help in forging strong relationships with our customers and gaining increased business from them.

We have long-standing relationships with our customers across the world. This is partly due to the high criticality of our services and technological capabilities catering to the business needs of customers across various sectors. We establish long-term relationships with our customers for multi-layered engagement with various departments and divisions of the customer's organizations. We also conduct regular senior management reviews with our key customers to engage them for feedback and future opportunities.

➤ **Attract, develop and retain highly - skilled employees**

Our employees are one of our most important assets. We focus on the quality and level of service that our employees deliver by investing in recruitment, development, retention, maintenance of a culture of innovation and by creating both a challenging and rewarding work environment. Our talent development strategy focuses on engaging, motivating and developing a high performing workforce and we aim to create and sustain a positive workplace culture for our employees and benchmark ourselves against our peers.

➤ **Enhancing Operating Effectiveness and Efficiency**

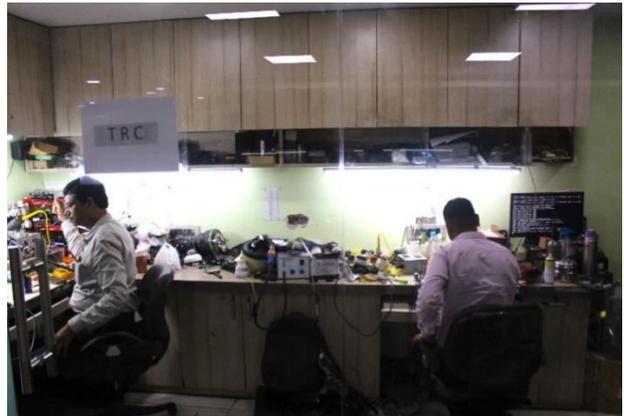
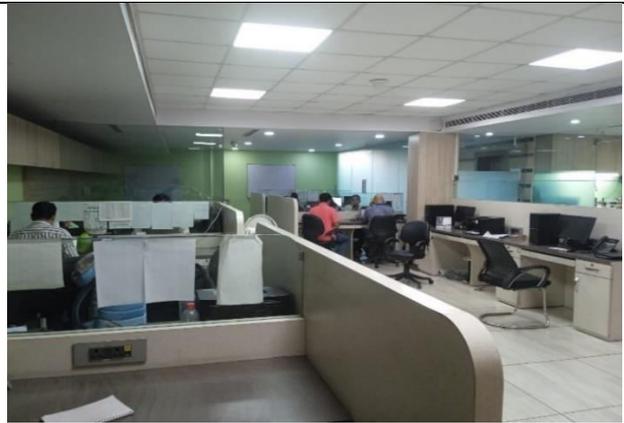
Our Company aims to continue to improve our operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous project review and timely corrective measures in case of diversion and technology up gradation.

OUR LOCATION:

| | |
|--------------------------|--|
| Registered Office | CP-37, Viraj Khand, Gomti Nagar, Near Bank of India, Lucknow – 226 010, Uttar Pradesh. |
| Branch Office | 911, DLF Tower B, Jasola, District Center, New Delhi – 110 044 |



Registered & Corporate office



Technical Repair center

OUR SERVICES

Our Company provides a comprehensive range of services for our customers across all phases of the business life cycle. Our company evaluates the needs of its customers and provides tailor-made solutions to suit each business strategy

Major services offered by us are:

• **IT Infrastructure Solutions**

Enterprise Networking

We offer complete networking services throughout by providing fast and reliable network connectivity services to various enterprises. We ensure the utmost security across the wired and wireless infrastructure of enterprises with a vision to make client's networks more flexible and easily manageable. With our experience, state-of-the-art tools, and proven processes we assist our clients in their network transformation. We are amongst the renowned networking companies in India that offer reliable, scalable, robust, dynamic, and secure network solutions which in turn deliver unmatched performance.

Services:

- Optical Fiber and UTP for Voice, Data and Video
- LAN Infrastructure
- WAN Infrastructure
- Point to Point and Point to Multipoint Outdoor Wireless Network
- Indoor & Outdoor Wi-Fi hotspot
- Software Defined Network



Network Security

We offer high-performance network security solutions for internal segmentation and next-generation firewalls. As network security service providers, we assess, test, and fix high-risk security gaps and defects. Our customized and specialized products

and services ensure to seamlessly manage and protect Client's network digitally. We deliver solutions that conduct threat analysis, comprehensive network security reporting, and an intelligent security search to fulfill security and compliance requirements.



Services:

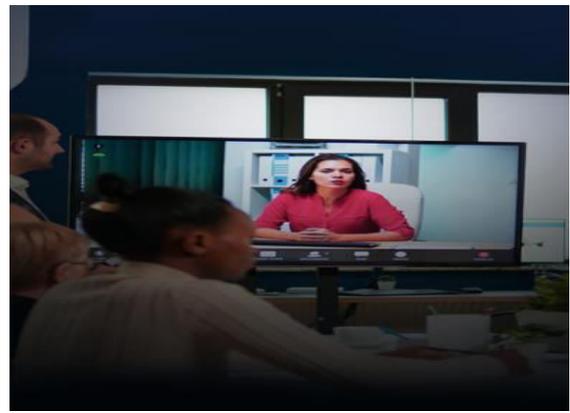
- Next-Generation Firewall
- Advanced Threat Protection
- DDOS (Distributed Denial of Service)
- End Point Security

Audio - Visual & Collaboration Services

We offer effective Unified Communications and Virtual Collaboration services and Audio-Visual solutions that aid better-personalized experiences to the modern workforce. Our AV and collaboration services ensure seamless and effective communications through phone calls, video conferencing, emails, etc. within a business promoting its growth.

Services:

- IP Telephony
- Video Conferencing
- Interactive Boards & Display Solutions
- Audio Setup for Meetings and Conference
- Virtual Classroom Solution
- Unified Communication Solution
- Application based Call Centre Solution
- PA system for Conference Room (Wire & Wireless)

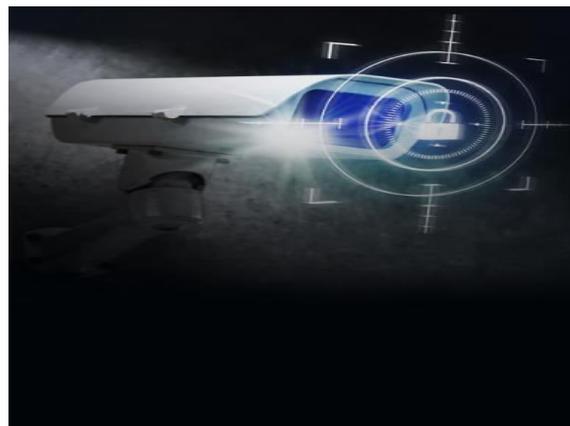


Security & Surveillance

We hold expertise in providing end-to-end security and surveillance solutions with proper maintenance and support facilities. We have executed major CCTV Camera Installation Projects for Police, Defense, Central Government Establishments, Nationalized Banks, Etc. Whether the requirement is for simple CCTV installation services or a comprehensive integrated system, we offer the highest standard end-to-end security solutions to cater to all kinds of security needs.

Services:

- Advanced Traffic Management System
- CCTV Surveillance
- ANPR,FRS, RLVD
- Video Analytical Solutions
- Access Control System
- Retina based
- Biometric based
- Full Body Scanner
- Boom Barrier



Data Center

We have a complete range of solutions for computing, data center switching, and security in converged and hyper-converged data center establishments. Our data center services for Hardware and Software are specialized to meet rapidly changing equipment standards and technological demands. We can create simpler and more adaptive data centers to fulfil customers' requirements. Our next-generation data center services offer optimal flexibility that supports future technology. We simplify storage and data management such that our customers can focus on outcomes, not infrastructure. We harness our cloud-native

data infrastructure that is ready for any workload. Enterprises can rely on our dependable data center services to interconnect the foundational infrastructure that drives their success.

Services:

Compute
Storage
Virtualization



Cloud & Managed Services

We offers a comprehensive range of cloud computing services that can help our clients gain a competitive edge in the market. We are proficient in building and managing comprehensive cloud solutions efficiently. Our cloud solutions and managed services can help enhance agility and efficiency, reduce the overall cost of managing, and enable our clients to conquer new market opportunities. With our top-performing cloud computing solutions, we can help eliminate unnecessary hardware, free up space on systems, enhance mobility, and save money.

Services:

Platform as a Service (PaaS)
Software as a Service (SaaS)
Infrastructure as a Service (IaaS)
Cloud Security



• **Annual Maintenance Contract (AMC) and Facility Management Services (FMS)**

We provide maintenance services to our clients based on formal agreements, executed for an agreed tenure, which can be extended by mutual consent. These services are offered as a bundle with our existing portfolio or can be availed independently, depending on the client’s requirements. We provide an onsite technical expert for the contract duration to deliver maintenance and support services for the agreed-upon products and equipment. This service ensures the smooth operation of IT infrastructure and products. We take full responsibility for the expert provided and replace them as needed, according to the client's requirements.

Our scope of work includes but not limited to following activities:

1. Providing Technical expert(s) Online or offline, as the case may be.
2. Routine check-up of the system, wherever necessary, for any faults and rectifications thereof.
3. Normal preventive maintenance of the computers, printers, and other accessories.
4. Attending to any breakdown and emergencies, if any.
5. Any other services as may be required as per the customer’s instructions, for smooth running of the system.

Under Facility Management segment, our company provides experienced and professional resources and personnel for scalable, enterprise wide, highly secure and reliable solutions for Monitoring, Administration, Diagnostics and trend-based consulting services for managing the customer’s IT infrastructure consisting of Networks, Servers Databases and Packaged Applications.

BUSINESS PROCESS:

➤ **Bidding Process in PSU Sector Companies**

i. Identifying the Opportunities:

The first step is to continually monitor public announcements, government initiatives, and industry publications to identify project opportunities available for bidding on government platforms such as the Government e-Marketplace portal and other relevant channels. This proactive approach aligns with the company’s short-term and long-term business objectives by keeping it informed about potential projects open for participation.

ii. Pre-Bid Analysis:

After identifying the opportunities, our team conducts a thorough analysis of the pre-qualification criteria, project requirements, technical specifications, financial considerations, and evaluation criteria outlined in the bidding documents to ensure qualification.

iii. Preparation of Bid:

After analyzing the qualification criteria, our team prepares a comprehensive bid proposal that includes technical designs, project timelines, cost estimates, earnest money, tender fee and relevant credentials while ensuring the compliance with all bidding requirements.

iv. Risk Assessment:

Our team evaluates the potential risks associated with the project, such as specified project timelines, manpower resource availability, regulatory hurdles, or financial constraints. Mitigate risks and develop contingency plans.

v. Submission of Bids:

After evaluating the potential risk, our team submits the bid proposal within the specified deadline, following all the prescribed procedures and formats outlined in the bidding documents.

vi. Evaluation and Award:

After the submission of the bidding by all the competitors, the bidding authority evaluates the submitted bids based on predefined evaluation criteria. The bids are assessed for technical competence, financial viability, project timelines, and adherence to bidding guidelines. The project is then awarded to the bidder with the highest score or deemed most suitable.

vii. Contract Signing:

Upon successful bid acceptance, our company engages in the finalization of the agreement. This phase involves signing comprehensive contracts that outline the project's scope of work, duration, pricing structure, service levels, and specific project deliverables. Additionally, detailed acceptance testing procedures are incorporated into the contractual framework, establishing a clear and mutually agreed-upon roadmap for the successful execution of the project. This formalized documentation solidifies the commitment between our company and the client, providing a robust foundation for the seamless implementation of the awarded project.

viii. Award of Bid and Final Delivery:

After the final submission of Bid and evaluation, if the Project is awarded, contracts are signed and finalized and the PO is received and validated, the Purchase/ Procurement Process is initiated, goods are received and validated, and an AR Invoice is raised, and the final delivery is made at the customer site and the final Billing process is done by the Accounts Team.

➤ **Process of Acquisition of Business from Clients in the Private Sector**

i. Identification and Lead Distribution:

The first step is identifying potential clients through market research, industry databases, referrals, marketing leads, and networking events. Focus on businesses, industries, and organizations that align with the company's target market and distribute the qualified leads to the internal sales teams for further process.

ii. Client Assessment and Presale Engagement:

The second step after identifying the clients is to engage in discussions and technical meetings with prospective clients to understand their product/service requirements, goals, timelines, budget constraints, and project specifications. Presentations with clients and assessment of the feasibility of providing a suitable solution, or revised solution as per customer's request.

iii. Customized Solution proposal

After the successful discussion with the client, our work starts with the preparation of a customized proposal outlining the solutions, requirement analysis, and system study including system design, performance requirements, financial analysis, implementation plan, and any specific client requirements. Further, we engage with the OEMs, in parallel, for the required hardware or software necessary for the assessed project. After sharing the proposal, we collaborate with the client to finalize project details, payment terms, pricing, and service level agreements. Address any concerns or queries the client may have and find mutually agreeable solutions.

iv. Signing of Contracts

When the deal gets finalized then, our team prepares and reviews legal documents, including service contracts, purchase agreements (PAs), or other agreements, ensuring that all terms and conditions are clearly defined and agreed upon by both parties, if required,

drafting of scope documentation and if further inputs of client after the scope understanding is given by the Services Team, revision in documentation and pricing finalization after Joint Meetings.

v. Final Execution of Project:

The last step is to proceed with the implementation phase after receipt of the Purchase orders, including material checks, securing necessary permits, conducting site assessments, engineering and design, software, hardware and services procurement from third parties, installation, and commissioning. We maintain regular interaction with the client throughout the project execution and after the final delivery of the Product/services.

Top Customers Contribution to Revenue

The following table sets forth the revenue bifurcation from customers for the financial year ended on 2022, 2023 and 2024:

(Rs. in Lakhs except percentage)

| Revenues | As of and for the year/period ended | | | | | |
|------------------|-------------------------------------|-------|----------------|-------|----------------|--------|
| | Consolidated | | | | Standalone | |
| | March 31, 2024 | % | March 31, 2023 | % | March 31, 2022 | % |
| Top 5 customers | 6,796.49 | 63.22 | 3,283.51 | 51.92 | 3,503.03 | 59.32 |
| Top 10 customers | 7,976.07 | 74.20 | 4,340.98 | 68.65 | 4,402.38 | 74.55% |

PLANT & MACHINERY

Our Company does not have any plant & machinery since our business is not in the nature of a manufacturing concern.

CAPACITY UTILISATION

Our Company being in the service industry installed capacity and capacity utilization is not applicable to us.

COLLABORATIONS/TIE UPS/ JOINT VENTURES

We do not have any Collaborations/Tie-ups/Joint Ventures as on the date of the Draft Red Herring Prospectus,

EXPORT OBLIGATION

Our Company does not have any export obligation as on the date of Draft Red Herring Prospectus.

UTILITIES & INFRASTRUCTURE FACILITIES

Our registered office is located at Lucknow and our branch office at New Delhi. All our offices are equipped with computer systems, servers, and relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security, and other facilities, which are required for our business operations to function smoothly.

Power: Our Company requires power for the normal requirement of the Office for lighting, systems, etc. Adequate power supply is available which is met through the electric supply.

Water: Water is required for human consumption at the office and adequate power sources are available from the municipal water supply. The requirements are fully met at the existing premises.

HUMAN RESOURCES

Our Company believes that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill sets, interests and backgrounds that would be an asset for its kind of business.

As on July 31, 2024 our company has 520 employees on payroll and 20 employees on contractual basis. The Breakup of employees is as follows:-

| Sr. No. | Departments | No. of Employees |
|---------|---------------------------------------|------------------|
| 1 | Top Management | 4 |
| 2 | Sales Marketing | 9 |
| 3 | Human Resources & Administration | 1 |
| 4 | Technical Support & Quality Assurance | 490 |
| 5 | Finance & Legal | 10 |
| 6 | Administrative Department | 6 |
| | Total | 520 |

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

SALES AND MARKETING

We have some reputed companies in the industry as our customers. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of such customers.

We have spread our presence to domestic markets with large sales potential, low infrastructure costs and the availability of professional expertise. We have an experienced & skilled management team to motivate the sub-ordinates & staff to step towards their achievements & organizational goals. With their efficient management skills & coordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development & nourishment of the organization.

INSURANCE

Our business is subject to loss due to theft or the occurrence of any unforeseen event such as fire, earthquake, other natural calamities, terrorism, and force majeure events. We maintain insurance for the same which includes the Kotak Bharat Sookshma Udyam Suraksha Policy, Kotak Burglary Secure Certificate Cum Policy, Burglary Insurance Policy, Motor Insurance Certificate cum Policy Schedule, Standalone Motor Own Damage Cover – Private Car, Digit Private Car Stand-alone Own Damage Policy, Private Car Package Policy, Stand-Alone Own Damage Private Car Insurance Policy, Stand-Alone Own Damage Policy-Private Car, and various Marine single transit island policies which provide appropriate coverage in relation to terrorism, STFI, earthquake, theft, computer programs, information or data, etc. We believe that our insurance coverage is adequate for our business needs and operations. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “*Risk Factors*” beginning on page 23 of this Draft Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations, and financial condition.

COMPETITION:

In today's dynamic business environment which is filled with rapid change in technology, government policies, mounting competitive threats and constant new entrants into the market, it is challenging to sustain and handle the intricacies and provide competitive solutions to its clients. We believe that our competition also depends on several factors which include, changing business framework, information technology policies, difficulty to retain skilled staff etc. We believe the principal elements of competition in the IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We believe that our cost-effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provide us with a competitive advantage in many of our products. We have a number of competitors offering products and services similar to us like Allied Digital Services Limited and Synoptics Technologies Limited.

PROPERTY:-

INTELLECTUAL PROPERTY:

As of the date of Draft Red Herring Prospectus, we have filed an application with the Registrar of Trademarks to register our



and trademark “Takyon Network”. For further information, see “*Government and other approvals – Intellectual property related approvals*” on page 172. Also, see “*Risk factors* - We do not have trademark registration for our new corporate logo. If we are unable to register our corporate logo, we may not be able to protect or enforce our rights to own or use our corporate logo which could have an adverse effect on our business and competitive position.”

IMMOVABLE PROPERTIES

The following are the details of the material properties owned/leased/rented by the company.

| Sr. No | Usage | Address | Owned/Leased/Rented |
|---------------|-------------------|---|--|
| 1. | Registered Office | C P - 37, Viraj Khand, Gomti, Nagar Near Bank of India, Lucknow - 226010, Uttar Pradesh | The said property has been obtained on lease from Mr. Manish Sharma & Mr. Neeraj Kumar vide Lease Deed dated on January 01 st , 2024 for a period of 11 Months at Rs.2,15,200/- per month including TDS @10% (Rs. 1,07,600/- to Manish Kumar Sharma & Rs. 1,07,600/- to Neeraj Kumar) |

| | | | |
|----|-------------------|--|--|
| 2. | Branch Office | 911, DLF Tower B, Jasola, District Center, New Delhi-110044 | The said property has been obtained on lease from M/s ISC IT Services Private Limited vide Lease Agreement dated February 1, 2024 for a period of 3 years at Rs. 1,71,300/- per month. |
| 3 | Commercial Office | Office No.02, 5th Floor, Tower A, Plot-A-40, Sector-62, Noida UP | Tripartite Sub-Lease Deed between Okhla Industrial Development Authority (“Lessor”) and Grandslam Developers Pvt. Ltd. (“Lessee”) and Takyon Networks Private Limited (“Sub-Lessee”) dated March 02, 2023, for a period of 75 years. |

KEY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.

Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of IT infrastructure solutions and services. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page 172 of this Draft Red Herring Prospectus.

INDUSTRY SPECIFIC REGULATIONS

Information Technology Act, 2000 and the rules made thereunder (“IT Act”)

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers. In April 2011, the Department of Information Technology under the then Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the “IT Personal Data Protection Rules”) under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 and Information Technology (Reasonable security practice and procedure and sensitive personal data or information) Rules, 2021 (the “IT Intermediaries Rules”) under Section 79(2) of the IT Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

Information Technology (Reasonable Security Practices & Procedure & Sensitive Personal Data or Information) Rules, 2011

Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 came into effect on 11th April, 2011. It provides rules for collection, disclosure, transfer and security of data. The Personal Data Protection Rules further require the Body Corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data. Such policy is required to be published on the website of the Body Corporate. Disclosure of information to any third party is mandate to be permitted by the concerned authority and from the provider of that information. The security standards are to be certified and audited on a regular basis.

The Digital Personal Data Protection Act, 2023 (“DPDP Act”)

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other

measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

National Digital Communications Policy 2018

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

Data Center Policy, 2020

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

Shops and Establishments Act of relevant state

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

Fire prevention laws

The state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India, which includes fire prevention and firefighting services. The legislations include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

LABOUR RELATED LEGISLATIONS

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("PG Act") applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

On his/her superannuation;

On his/her retirement or resignation;

On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply). Gratuity is payable to the employee at the rate of 15 (fifteen) days' wages for every completed year of service or part thereof in excess of 6 (six) months.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961, as amended, regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or

more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

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

The Contract Labour (Regulation and Abolition) Act, of 1970 (the “CLRA Act”) requires a company to be registered as a principal employer and prescribes certain obligations with respect to the welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employees’ State Insurance Act, 1948

It Employees’ State Insurance Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952(“EPF Act”)

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

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

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines-Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non- governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an Internal Complaints Committee at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

Apprentices Act, 1961

The Apprentices Act, 1961, as amended (the Apprentices Act) regulates and controls the programme of training of apprentices and matters connected there with. The term Apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Apprenticeship Training means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

The Occupational Safety, Health and Working Conditions Code, 2020

It consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

Child Labour (Prohibition and Regulation) Act, 1986

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961

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

Goods and Service Tax (GST)

The Goods and Services Tax ("GST") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("CGST"), relevant state's Goods and Services Act, 2017 ("SGST"), Union Territory Goods and Services Act, 2017 ("UTGST"), Integrated Goods and Services Act, 2017 ("IGST"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder. Customs Act, 1962

GENERAL STATUTORY LEGISLATIONS

Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 ("MSMED Act") inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME") the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed fifty crore and turnover does not exceed two hundred and fifty crore rupees.

Companies Act, 2013 ("Companies Act")

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person

is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

Competition Act, 2002

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (the —CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Indian Contract Act, 1872

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

Specific Relief Act, 1963

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

Consumer Protection Act, 2019 (“Consumer Protection Act”) and Rules Made Thereunder

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

Code of Civil Procedure, 1908

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

Bhartiya Nyaya Sanhita, 2023

This act supersedes the Indian Penal Code, 1860, this comprehensive legal framework addresses various facets of criminal law, including offenses, penalties, defenses, and procedural guidelines. The Bhartiya Nyaya Sanhita Act largely retains provisions from the Indian Penal Code, 1860, but also introduced new offences including but not limited to cybercrimes, environmental violations, and removed invalidated offences that were earlier there, and enhances penalties for certain offences. Notably, community service replaced the sedition as a form of punishment and terrorism is also explicitly recognizes as an offence. The Bhartiya Nyaya Sanhita Act streamlines legal procedures, ensuring faster trials and emphasizes on witness protection and evidence collection.

Bhartiya Nagrik Suraksha Sanhita Act, 2023

This act superseded the Code of Criminal Procedure, 1973, and became the main legislation on procedure for administration of substantive criminal law in India, this act received assent from the president of India on December 25, 2023 and came into effect from July 01, 2024. The Bhartiya Nagrik Suraksha Sanhita Act, introduces specific timelines for investigation and trial, ensures timely FIR registration for complaints submitted through electronic communication, mandates forwarding medical examination reports of rape victims within seven days, and empowers courts to conduct trial in absentia against proclaimed offenders. Additionally, the Act emphasizes prompt judgment pronouncement and requires audio-video recording of search and seizure during investigations. Notably, proceeds of crime can be attached by the court and distributed among victims. The Bhartiya Nagrik Suraksha Sanhita Act aims to expedite proceedings and enhance transparency in the criminal justice system.

Bhartiya Sakshya Adhinyam Act, 2023

This act superseded the Indian Evidence Act, 1872, this act modernizes evidence handling within the Indian legal system, addressing digital evidence and other contemporary issues. This act focuses on procedural aspect of law, governing how rights may be enforced before a court of law. This act introduces changes related to electronic evidence definitions and admissibility procedures. This act received presidential assent on December 25, 2023 and came into effect from July 01, 2024, this act has omitted certain terms which were earlier present in the Indian Evidence Act and the major change was to include electronic evidence as part of the definition of documentary records and also included the possibility of giving oral evidence electronically.

Arbitration & Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of

funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Registration Act, 1908 (“Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

INTELLECTUAL PROPERTY RELATED LEGISLATIONS

In general, the Intellectual Property Rights include but are not limited to the following enactments:

- i. Trademarks Act, 1999
- ii. Indian Copyright Act, 1957

Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

Copyright Act, 1957

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

OTHER LAWS

Municipality Laws

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

Police Laws

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

HISTORY AND CORPORATE STRUCTURE

Brief history of our Company:

Our Company was originally incorporated as a Private Limited Company under the name of “**Takyon Networks Private Limited**” on May 12, 2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Uttar Pradesh, Kanpur bearing CIN: U72300UP2015PTC070649. Subsequently, our Company was converted into a public limited company under Companies Act with the name “**Takyon Networks Limited**” pursuant to a fresh certificate of incorporation dated August 07, 2024 was issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U72300UP2015PLC070649.

Manish Kumar Sharma and Neeraj Kumar were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “**Our Business**”, “**Industry Overview**”, “**Our Management**”, “**Financial information of the Company**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 85, 75, 123 and 159 respectively of this Draft Red Herring Prospectus.

Our Locations:

| | |
|--------------------------|--|
| Registered Office | CP 37, Viraj Khand Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India. |
|--------------------------|--|

For information on our offices other than the registered office, please refer the sections titled “**Our Business**”, on page 85 respectively of this Draft Red Herring Prospectus.

Changes in the Registered Office of the Company since Incorporation:

Except as disclosed below, there has not been any change in our Registered Office since incorporation till the date of this Draft Red Herring Prospectus:

| Effective Date | From | To | Reason for Change |
|----------------|---|---|----------------------------|
| March 07, 2019 | 2/258, Vishal Khand, Gomti Nagar, Lucknow | CP 37, Viraj Khand Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India | Administrative Convenience |

Main Objects of Memorandum of Association:

The main objects of our Company as contained in Clause III (A) of the Memorandum of Association of our Company are as follows:

1. To acquire the business, assets, and liabilities of the partnership firm running its business in the name of M/s Takyon Network in which partners Mr. Neeraj Kumar and Mr. Manish Kumar Sharma themselves are subscribers and directors in the company.
2. To carry on the business of manufacturers, fabricators, designers, assemblers, traders of or otherwise deal in all types of telecommunication equipment and components required for integration and networking of computers, telecommunication and other related peripherals, microprocessors, data processing systems, electrical and mechanical gadgets, software, electrical & electronic appliances.

Amendments to the Memorandum of Association:

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

| Date of Meeting | Type of Meeting | Amendments |
|--------------------|-----------------|--|
| September 04, 2017 | EGM | Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the company from ₹ 5.00 Lakhs divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each. |
| January 02, 2021 | EGM | Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the company from ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 450.00 Lakhs divided into 45,00,000 Equity Shares of ₹ 10/- each. |
| April 22, 2024 | EGM | Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the company from ₹ 450.00 Lakhs divided into 45,00,000 Equity Shares of ₹ 10/- each to ₹ 1600.00 Lakhs divided into 1,60,00,000 Equity Shares of ₹ 10/- each. |
| May 30, 2024 | EGM | Conversion of our Company from Private Limited to Public Limited Company. Consequently, the name of the Company was changed from “Takyon Networks Private Limited” to “Takyon Networks Limited” vide a fresh certificate of incorporation consequent upon conversion of |

| Date of Meeting | Type of Meeting | Amendments |
|-----------------|-----------------|---|
| | | Company to Public Limited dated August 07, 2024 was issued by the Registrar of Companies, Central Processing Centre, bearing Corporate Identification Number U72300UP2015PLC070649. |

Adoption of new set of Articles of Association of the Company:

Our Company has adopted a new set of Articles of Association in accordance with the applicable provisions of the Companies Act 2013, at the Extra Ordinary General Meeting of the Company held on August 14, 2024.

Major events and milestones of our Company:

The table below sets forth some of the major events in the history of our company:

| Year/F.Y. | Key Events / Milestones / Achievements |
|-----------|---|
| 2015 | Incorporation of our Company as “Takyon Networks Private Limited” under the Companies Act, 2013 |
| 2018-19 | Crossed Revenue of Rs. 35 Cr. |
| 2021-22 | Crossed Revenue of Rs. 50 Cr. |
| 2022 | We have been awarded as Partner of the year – Government, 2022 from Palo Alto Networks, Cybersecurity partner of choice |
| 2023 | We have received ISO 27001:2012 (Information Security Management System), ISO 20000-1:2018 (Information Technology Services Management), ISO 9001:2015 (Quality Management System) certifications |
| 2023 | We have also been awarded CMMI Maturity Level 3 Certificate |
| 2024 | Change in the name of Our company from “Takyon Networks Private Limited” to “Takyon Networks Limited” pursuant to Conversion into Public Limited |

Other details about our Company:

For details of our Company’s activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 85, 159 and 68 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of the shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 107 and 51 of the Draft Red Herring Prospectus respectively.

Capital Raising (Debt/ Equity):

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 51 of the Draft Red Herring Prospectus. For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 156 of the Draft Red Herring Prospectus.

Lock-out or strikes:

There have been no lock-outs or strikes in our Company since inception.

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

Except as disclosed in this Draft Red Herring Prospectus, there has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

Our Holding Company:

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiary:

As on the date of this Draft Red Herring Prospectus, our Company has one subsidiary company, namely:

1. TNPL IT Services Private Limited

Corporate Information:

TNPL IT Services Private Limited was incorporated under the Companies Act, 2013 pursuant to certificate of incorporation dated April 18, 2022 issued by Registrar of Companies, Central Registration Centre.

| | |
|--------------------------|---|
| CIN | U72900UP2022PTC162505 |
| PAN | AAJCT3159P |
| Registered Office | CP-37, Viraj Khand, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India. |

Nature of Business:

The objects clause of the memorandum of association of TNPL IT Services Private Limited authorizes it to carry on business of manufacturers, fabricators, designers, assemblers, traders of or otherwise deal in all type of Telecommunication equipment and components required for integration and networking of Computers, telecommunications and other related peripherals, microprocessors, data processing systems, electrical and mechanical gadgets, software, electrical and electronic appliances.

Capital Structure:

| Particulars | Number of Equity Shares | Amount |
|---|-------------------------|----------|
| Authorized Share Capital | 10,000 | 1,00,000 |
| Issued, Subscribed and Paid-up capital of Equity Shares | 10,000 | 1,00,000 |

Board of Directors:

| Sr. No. | Name | Designation | DIN |
|---------|---------------------|-------------|----------|
| 1 | Manish Kumar Sharma | Director | 01397817 |
| 2 | Neeraj Kumar | Director | 01397836 |

Shareholding Pattern:

| Sr. No. | Name of Shareholder | No. of Shares | % of holding |
|---------|---------------------------------|---------------|----------------|
| 1 | Takyon Networks Private Limited | 9,990 | 99.90% |
| 2 | Neeraj Kumar | 10 | 0.10% |
| | Total | 10,000 | 100.00% |

Our Associates:

As on date of this Draft Red Herring Prospectus, our company does not have any associate company.

Our Joint Ventures:

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Ventures.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. if any, in the last ten years:

Except as disclosed in this Draft Red Herring Prospectus, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Injunction or Restraining Order:

Except as disclosed in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 168 of this Draft Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against our Company.

Number of shareholders of our Company:

Our Company has Seven (7) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 51 of the Draft Red Herring Prospectus.

Changes in the Management:

For details of the change in Management, please see the chapter titled “*Our Management*” on page 107 of the Draft Red Herring Prospectus.

Shareholders Agreements:

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Herring Prospectus.

Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Collaboration Agreements:

As on date of this Draft Red Herring Prospectus, Our Company is not a party to any collaboration agreements.

Material Agreement:

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

Strategic or Financial Partners:

Our Company does not have any strategic or financial partners as on the date of this Draft Red Herring Prospectus.

Time and Cost Overruns in Setting up Projects:

There has been no time/ cost overrun in setting up projects by our Company.

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 the Draft Red Herring Prospectus.

Other Agreements:

i. Non-Compete Agreement:

Our Company has not entered into any No-Compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

ii. Joint Venture Agreement:

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

| Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN | Other directorships |
|---|----------------------------------|
| <p>Manish Kumar Sharma</p> <p>Designation: Chairman & Managing Director</p> <p>Age: 45 years</p> <p>Date of Birth: February 25, 1979</p> <p>Address: Flat 601, Tower-A, Belvedere Court-1, Shalimar One World, Sector-6, Near Shaheed Path, Gomti Nagar Vistar, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India.</p> <p>Experience: 22 Years</p> <p>Occupation: Business</p> <p>Qualification: Bachelor of Arts, Certification in Network Centered Computing Curriculum from NIIT</p> <p>Current Term: Designated as Managing Director of the Company, w.e.f. August 14, 2024 for a period of 3 years and shall be liable to retire by rotation</p> <p>Period of Directorship: Since incorporation</p> <p>DIN: 01397817</p> | TNPL IT Services Private Limited |
| <p>Neeraj Kumar</p> <p>Designation: Chief Executive Officer & Whole Time Director</p> <p>Age: 45 years</p> <p>Date of Birth: May 30, 1979</p> <p>Address: 1/C-203, Sector 1, Gomti Nagar Extension, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India</p> <p>Experience: 25 Years</p> <p>Occupation: Business</p> <p>Qualification: Bachelor of Science</p> <p>Current Term: Designated as Chief Executive Officer & Whole Time Director of the Company, w.e.f. August 14, 2024, for a period of 3 years and shall be liable to retire by rotation</p> <p>Period of Directorship: Since incorporation</p> <p>DIN: 01397836</p> | TNPL IT Services Private Limited |
| <p>Nikhil Laxman Buran</p> <p>Designation: Executive Director</p> | |

| Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN | Other directorships |
|--|---------------------|
| <p>Age: 45 years</p> <p>Date of Birth: September 26, 1978</p> <p>Address: 388, Sector-14, Escorts Nagar, Faridabad, Haryana – 121 007, India</p> <p>Experience: 21 years</p> <p>Occupation: Business</p> <p>Qualification: PG Diploma in Telecom Management (System & Applied Technology)</p> <p>Current Term: Designated as Non-Executive Director of the Company, w.e.f. February 18, 2021 and shall be liable to retire by rotation.</p> <p>Period of Directorship: February 18, 2021</p> <p>DIN: 09072690</p> | Nil |
| <p>Paresh Goyal</p> <p>Designation: Executive Director</p> <p>Age: 50 years</p> <p>Date of Birth: May 17, 1974</p> <p>Address: Flat-D, Saubhagya Apartment, Phase-3, Kanpur Road, Behind Balaji Complex, Krishna Nagar Metro Station, LDA Colony, Lucknow, Uttar Pradesh – 226 012, India</p> <p>Experience: 25 Years</p> <p>Occupation: Business</p> <p>Qualification: M.Sc. & PG Diploma in Cyber Law</p> <p>Current Term: Designated as Non-Executive Director of the Company, w.e.f. February 18, 2021 and shall be liable to retire by rotation.</p> <p>Period of Directorship: February 18, 2021</p> <p>DIN: 09072777</p> | Nil |
| <p>Swati Singh</p> <p>Designation: Independent Director</p> <p>Age: 31 years</p> <p>Date of Birth: December 24, 1992</p> <p>Address: C-102/68, Satya Marg, Behind Purvanchal Bank, Mohaddipur, Khorabar urf Soobabazar, Gorakhpur, Uttar Pradesh – 273 008, India</p> <p>Experience: 6 years</p> <p>Occupation: Professional</p> <p>Qualification: Company Secretary</p> | Nil |

| Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN | Other directorships |
|---|---------------------|
| <p>Current Term: For a period of 3 years w.e.f., August 14, 2024 not liable to retire by rotation.</p> <p>Period of Directorship: From August 14, 2024</p> <p>DIN: 10662244</p> | |
| <p>Ashwani Jaiswal</p> <p>Designation: Independent Director</p> <p>Age: 36 years</p> <p>Date of Birth: May 24, 1988</p> <p>Address: Flat No. T-19-1304, Okas Residency Sector G, Pocket 5, Near Cancer Hospital Sushant Golf City, Lucknow, Uttar Pradesh – 226 030, India</p> <p>Experience: 11 Years</p> <p>Occupation: Professional</p> <p>Qualification: Chartered Accountant</p> <p>Current Term: For a period of 3 years w.e.f., August 14, 2024 not liable to retire by rotation</p> <p>Period of Directorship: From August 14, 2024</p> <p>DIN: 07186241</p> | Nil |
| <p>Sarita Paswan</p> <p>Designation: Independent Director</p> <p>Age: 31 years</p> <p>Date of Birth: January 08, 1993</p> <p>Address: 11A, Daraghaiya, Ward No. 8, Nandanagar, Khorbar urf Soobabazar, Kunraghat, Gorakhpur, Uttar Pradesh – 273 008, India</p> <p>Experience: 6 years</p> <p>Occupation: Professional</p> <p>Qualification: Company Secretary</p> <p>Current Term: For a period of 3 years w.e.f. August 14, 2024 not liable to retire by rotation</p> <p>Period of Directorship: From August 14, 2024</p> <p>DIN: 10740183</p> | Nil |

Brief Profile of Directors:

- Manish Kumar Sharma**, aged 45 years is one of the Promoters, Chairman and Managing Director of the Company. He has been on the Board of Directors since the company's incorporation. He has completed his Bachelor of Arts from St. Andrews College, Gorakhpur in 1999 and has 22 years of experience in the associated industry. He oversees the overall business and finance operations of the company. Under his guidance, the company has witnessed continuous growth and he has been instrumental in the business's success.

2. **Neeraj Kumar**, aged 45 years is one of the Promoters and Chief Executive Officer & Whole Time Director of the Company. He has been associated with the company since incorporation. He completed his Bachelor of Science from the University of Gorakhpur, in 1997. He has nearly 25 years of overall experience, he primarily oversees the business development implementation and execution of the company's strategy.
3. **Nikhil Laxman Buran**, aged 45 years is Executive Director of the Company. He has been associated with the company since 2021. He completed his Post Graduation diploma in Telecom Management in System & applied technology from Symbiosis Institute of Telecom Management in 2003. He has an overall experience of 21 years and is mainly responsible for driving entire Sales strategy for the company. Under his guidance, the company has witnessed continuous growth.
4. **Paresh Goyal**, aged 50 years is Executive Director of the Company. He has been associated with the company since 2021. He has completed his Master of Science in Cyber Security from Babashaheb Bhimrao Ambedkar University in 2019 and Post Graduate Diploma in Cyber Law from Dr. Ram Manohar Lohiya National Law University in 2024. With 25 years of overall experience, he focuses on Digital Transformation and Cyber Security.
5. **Swati Singh**, aged 31 years is one of the Independent Director of the Company. She has been associated with the company since 2024. She is a Qualified member of Institute of Company Secretaries of India from 2019. She has 6 years of overall experience in the field of Secretarial, Corporate Law & Compliances.
6. **Ashwani Jaiswal**, aged 36 years is one of the Independent Director of the Company. He has been associated with the company since 2024. He is qualified member of Institute of Chartered Accountants of India since 2013. He has 11 years of overall experience in Direct and Indirect Taxation & Financial Management.
7. **Sarita Paswan**, aged 31 years is an Independent Director of our Company. She has been on the Board of Directors of our Company since 2024. She is member of the Institute of Company Secretaries of India since 2018. She has an overall experience of around 6 years in the field of in the field of Secretarial, Corporate Law & Compliances.

Confirmations:

As on the date of this Draft Red Herring Prospectus:

- a) None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.
- b) None of the Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- c) None of the Directors have been identified as a willful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
- d) Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1) (p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)

The Directors and KMPs of the Company are not related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provide for benefits upon termination of their employment.

Details of Borrowing Powers of Directors

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on August 14, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder,

the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained/ to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹100 crores (Rupees One Hundred Crores Only).

Compensation of our Managing Director and Whole-time Directors.

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole-time Directors

1. Manish Kumar Sharma: Chairman & Managing Director

Pursuant to the resolutions passed by our Board and our Shareholders on August 13, 2024 and August 14, 2024 respectively, Manish Kumar Sharma was re-designated as Chairman & Whole-time Director for a period of three years with effect from August 14, 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹2 Crore p.a.

2. Neeraj Kumar: Chief Executive Officer & Whole Time Director

Pursuant to the resolutions passed by our Board and our Shareholders on August 13, 2024 and August 14, 2024 respectively, Neeraj Kumar was re-designated as CEO & Whole Time Director for a period of three years with effect from August 14, 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹2 Crore p.a.

Payments or benefits to Directors:

The remuneration paid to our Directors in Fiscal 2024 is as follows:

| Name of Director | Remuneration paid in F.Y. 2023-24 (₹ in lakhs) |
|-------------------------|---|
| Manish Kumar Sharma | 69.16 |
| Neeraj Kumar | 61.38 |
| Nikhil Laxman Buran | 28.78 |
| Paresh Goyal | 12.21 |

Bonus or Profit-Sharing Plan for our Directors:

We have no bonus or profit-sharing plan for our directors.

Sitting Fees:

Pursuant to Board Resolution dated August 16, 2024, the remuneration payable in terms of sitting fees to the Directors (including Independent Directors) for attending the Meetings of the Board and Committee thereof shall not exceed the limits prescribed under Section 197(5) of the Companies Act, 2013.

Shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of the Directors | No. of Shares Held | Holding in % |
|----------------|------------------------------|---------------------------|---------------------|
| 1. | Manish Kumar Sharma | 52,64,700 | 49.99% |
| 2. | Neeraj Kumar | 52,64,700 | 49.99% |
| | Total | 1,05,29,400 | 99.99% |

We do have One Subsidiary Company named as TNPL IT Services Private Limited as defined under Section 2(87) of the Companies Act, 2013.

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 107 of this Draft Red Herring Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further, our directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 156 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company –Annexure XXXI - Related Party Transaction”** beginning on page 107 and 148 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Interest in the property of Our Company:

Except mentioned below, Our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC:-

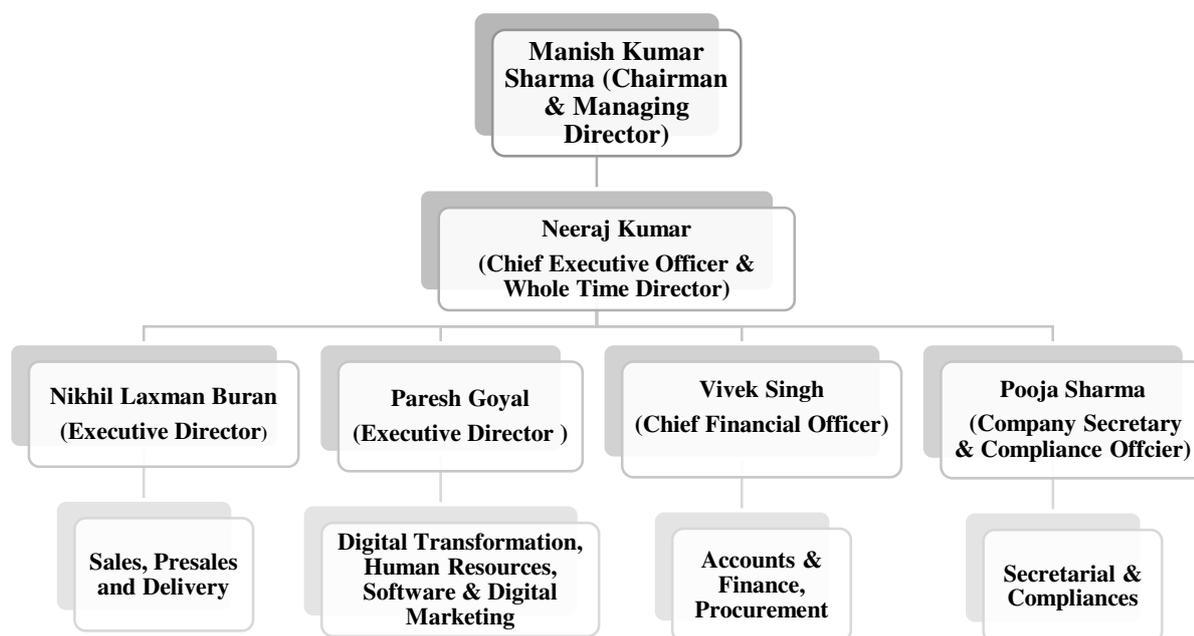
| Sr. No. | Usage | Address | Owned/Leased/Rent |
|---------|-------------------|--|---|
| 1. | Registered Office | CP 37, Viraj Khand, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India | Obtained on a Leased basis from Manish Kumar Sharma & Neeraj Kumar vide rent agreement dated January 01, 2024 for a period from 01-01-2024 to 30.11.2024 at Rs.2,15,200/- per month including TDS @10% (Rs. 1,07,600/- to Manish Kumar Sharma & Rs. 1,07,600/- to Neeraj Kumar) |

Changes in Board of Directors in Last 3 Years

| Name of Director | Date of Change | Reasons for Change in Board |
|---------------------|-----------------|---|
| Manish Kumar Sharma | August 14, 2024 | Re-designated as Chairman & Managing Director |
| Neeraj Kumar | August 14, 2024 | Re-designated as Whole-time Director |
| Swati Singh | August 14, 2024 | Appointed as Independent Director |
| Ashwani Jaiswal | August 14, 2024 | Appointed as Independent Director |
| Sarita Paswan | August 14, 2024 | Appointed as Independent Director |

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE (BSE SME). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consists of Seven (7) directors of which three (3) are Independent Directors, and we have two (2) women directors on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

1. Audit Committee

Our Company has formed an Audit Committee, vide Board Resolution dated August 16, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

| Name of the Director | Status in Committee | Nature of Directorship |
|----------------------|---------------------|------------------------|
| Ashwani Jaiswal | Chairperson | Independent Director |
| Swati Singh | Member | Independent Director |
| Manish Kumar Sharma | Member | Managing Director |

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure of the Committee:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee:

The committee shall meet at least four times in a year and not more than one hundred and twenty day shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be the presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

C. Power of the Committee:

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considered necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and to have full access to the information contained in records of Company.

D. Role of the Committee:

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

The role of the Audit Committee shall include the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. 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;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) 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. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking 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;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of the financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters/letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

2. Stakeholders Relationship Committee

Our Company has formed a Stakeholders Relationship Committee vide Board Resolution dated August 16, 2024 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and

its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

| Name of the Director | Status in Committee | Nature of Directorship |
|----------------------|---------------------|------------------------|
| Ashwani Jaiswal | Chairman | Independent Director |
| Swati Singh | Member | Independent Director |
| Manish Kumar Sharma | Member | Managing Director |

The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure of the committee:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

B. Meetings of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

C. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for the effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated August 16, 2024 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

| Name of the Director | Status in Committee | Nature of Directorship |
|----------------------|---------------------|------------------------|
| Ashwani Jaiswal | Chairman | Independent Director |
| Swati Singh | Member | Independent Director |
| Sarita Paswan | Member | Independent Director |

The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure of the Committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings of the Committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the General Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

C. Scope and Terms of reference:

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
3. formulation of criteria for evaluation of the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. 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;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

| Name, Designation & Educational Qualification | Age (Years) | Year of joining | Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs) | Overall experience (in years) | Previous Employment |
|---|-------------|-----------------|---|-------------------------------|---------------------|
| Manish Kumar Sharma | 45 | 2015 | 69.16 | 22 | - |

| Name, Designation & Educational Qualification | Age (Years) | Year of joining | Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs) | Overall experience (in years) | Previous Employment |
|---|-------------|-----------------|---|-------------------------------|-------------------------------|
| Designation: Chairman & Managing Director Educational Qualification: Bachelor of Arts, Certification in Network Centered Computing Curriculum from NIIT Term of office: 3 years w.e.f. August 14, 2024, liable to retire by rotation | | | | | |
| Neeraj Kumar Designation: Chief Executive Officer & Whole Time Director Educational Qualification: Bachelor of Science Term of office: 3 years w.e.f. August 14, 2024, liable to retire by rotation | 45 | 2015 | 61.38 | 25 | - |
| Vivek Singh Designation: Chief Financial Officer Educational Qualification: Chartered Accountant | 45 | 2024 | 4.00 | 16 | Kotak Mahindra Bank Ltd. |
| Pooja Sharma Designation: Company Secretary & Compliance Officer Educational Qualification- Company Secretary | 30 | 2024 | N.A. | 2 | Future Communications Limited |

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Manish Kumar Sharma - Please refer to section “**Brief Profile of our Directors**” beginning on page 107 of this Draft Red Herring Prospectus for details.

Neeraj Kumar - Please refer to section “**Brief Profile of our Directors**” beginning on page 107 of this Draft Red Herring Prospectus for details.

Vivek Singh is the Chief Financial Officer of the company. He is a qualified member of Institute of Chartered Accountants of India since 2007. He has over 16 years of experience in Accounts, Finance, taxation matters and audits. He looks after the overall financial matters of our Company.

Pooja Sharma is the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India from 2018. She has experience of around 2 years in the field of secretarial and corporate law compliances. She is currently responsible for the overall Corporate Governance and secretarial Compliance and functions of our Company.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the 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 Key Managerial Personnel have been recruited.
- None of our KMPs except Manish Kumar Sharma and Neeraj Kumar are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 31, 2024.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:

| Sr. No. | Name of the KMP's | No. of Shares held |
|---------|---------------------|--------------------|
| 1. | Manish Kumar Sharma | 52,64,700 |
| 2. | Neeraj Kumar | 52,64,700 |
| | Total | 1,05,29,400 |

- Presently, we do not have ESOP/ ESPS scheme for our employees.

Payment of benefits to officers of Our Company (non-salary related)

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

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

Changes in the Key Managerial Personnel in last 3 (three) years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

| Name of KMP | Designation | Appointment/ Cessation/ Re-designation | Reasons |
|---------------------|--|--|---|
| Manish Kumar Sharma | Re-designated as Chairman & Managing Director w.e.f. August 14, 2024 for a period of 3 years | Re-designation | To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance |
| Neeraj Kumar | Appointed as CEO w.e.f. August 13, 2024 | Appointment | |
| Neeraj Kumar | Re-designated as Whole Time Director w.e.f. August 14, 2024 for a period of 3 years | Re-designation | |
| Vivek Singh | Appointed as Chief Financial Officer w.e.f. August 13, 2024 | Appointment | |
| Pooja Sharma | Appointed as Company Secretary & Compliance officer w.e.f. June 18, 2024. | Appointment | |

Interest of Our Key Managerial Persons

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "**Financial information of the Company – Annexure XXXI - Related Party Transaction**" beginning on page 148 of this Draft Red Herring Prospectus.

Interest in the property of our Company

Except mentioned below, Our KMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC:-

| Sr. No. | Usage | Address | Owned/Leased/Rent |
|---------|-------------------|--|---|
| 1. | Registered Office | CP 37, Viraj Khand, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India | Obtained on leased basis from Manish Kumar Sharma & Neeraj Kumar vide rent agreement dated January 01, 2024 for a period from 01-01-2024 to 30.11.2024 at Rs.2,15,200/- per month including TDS @10% (Rs. 1,07,600/- to Manish Kumar Sharma & Rs. 1,07,600/- to Neeraj Kumar) |

Arrangement and Understanding with Major Shareholders/ Customers/ Suppliers

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

Details of Service Contracts of the Key Managerial Personnel

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

Loans given/ availed by Directors/ Key Managerial Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "**Annexure - XXXI – Related Party Transaction**" page 148 of this Draft Red Herring Prospectus.

OUR PROMOTERS & PROMOTER GROUP

Our Promoters:

The Promoters of our Company are Manish Kumar Sharma and Neeraj Kumar.

As on date of this Draft Red Herring Prospectus, the Promoters collectively hold 1,05,29,400 Equity shares of our Company, representing 99.99% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*", on pages 51 of this Draft Red Herring Prospectus.

Brief Profile of our Promoters are as under:

| | |
|---|--|
|  | <p>Manish Kumar Sharma – Chairman & Managing Director</p> <p>Manish Kumar Sharma, aged 45 years, is one of the Promoters and is also the Chairman & Managing Director of the company. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see "<i>Our Management – Brief profile of Directors</i>" on page 107 of this Draft Red Herring Prospectus.</p> <p>Other ventures of our Promoters - Except as set out in this chapter under heading "<i>Other ventures of our Promoters</i>" and the chapter titled '<i>Our Management</i>', our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.</p> <p>His permanent account number is AYIPS4582P.</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 51 of this Draft Red Herring Prospectus.</p> |
|  | <p>Neeraj Kumar – Chief Executive Officer & Whole Time Director</p> <p>Neeraj Kumar, aged 45 years, is one of the Promoters and is also the Chief Executive Officer and Whole Time Director of the company. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see "<i>Our Management – Brief profile of Directors</i>" on page 107 of this Draft Red Herring Prospectus.</p> <p>Other ventures of our Promoters - Except as set out in this chapter under heading "<i>Other ventures of our Promoters</i>" and the chapter titled '<i>Our Management</i>', our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.</p> <p>Her permanent account number is ANAPK3560A.</p> <p>For details of her shareholding, please see "<i>Capital Structure</i>" on page 51 of this Draft Red Herring Prospectus.</p> |

BRIEF PROFILE OF PROMOTERS:

Manish Kumar Sharma - Please refer to chapter "**Our Management**" beginning on page 107 of this Draft Red Herring Prospectus for details.

Neeraj Kumar - Please refer to chapter "**Our Management**" beginning on page 107 of this Draft Red Herring Prospectus for details.

Confirmations/ Declarations:

In relation to our Promoters Manish Kumar Sharma and Neeraj Kumar, our Company confirms that the PAN, Bank Account number, Passport number, Aadhaar Card number and Driving License number shall be submitted to BSE at the time of filing of this Draft Red Herring Prospectus.

Undertaking/ Confirmations:

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FI by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- Our Company or any of our Promoters or Group Companies or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled **“Outstanding Litigations and Material Developments”** beginning on page 168 of this Draft Red Herring Prospectus.
- None of our Promoters, person in control of our Company is or have ever been a promoters, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Interest of our Promoters:

i. Interest in promotion and Shareholding of Our Company

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Manish Kumar Sharma and Neeraj Kumar collectively hold 1,05,29,400 Equity Shares in our Company i.e., 99.99% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to him for the rent, purchase and sale transactions. For details, please refer to **Annexure XXXI- “Related Party Transactions”** beginning on page 148 of this Draft Red Herring Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see **“Capital Structure”** on page 51 of this Draft Red Herring Prospectus.

ii. Interest in the property of Our Company

Except mentioned below, Our promoters do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC:-

| Sr. No. | Usage | Address | Owned/Leased/Rent |
|----------------|-------------------|--|---|
| 1. | Registered Office | CP 37, Viraj Khand, Gomti Nagar, Lucknow – 226 010, Uttar Pradesh, India | Obtained on leased basis from Manish Kumar Sharma & Neeraj Kumar vide rent agreement dated January 01, 2024 for a period from 01-01-2024 to 30-11-2024 at Rs.2,15,200/- per month including TDS @10% (Rs. 1,07,600/- to Manish Kumar Sharma & Rs. 1,07,600/- to Neeraj Kumar) |

iii. Interest in transactions for acquisition of land, construction of building and supply of machinery

None of our promoters or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

iv. Other Interests in our Company

For transactions in respect of loans and other monetary transactions entered in past please refer **Annexure XXXI on “Related Party Transactions”** on page 148 forming part of **“Financial Information of the Company”** of this Draft Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Financial Information of Our Company”** on page 156 and 123 respectively of this Draft Red Herring Prospectus.

Payment or Benefits to our Promoters and Promoter Group during the last 2 years:

For details of payments or benefits paid to our Promoters and promoter group, please refer to the paragraph **“Compensation of our Managing Director”** in the chapter titled **“Our Management”** beginning on page 107 also refer **Annexure- XXXI on “Related Party Transactions”** on page 148 forming part of **“Financial Information of the Company”** and Paragraph on **“Interest of Promoters”** in chapter titled **“Our Promoters & Promoter Group”** on page 119 of this Draft Red Herring Prospectus.

Companies/ Firms with which our Promoters have disassociated in the last (3) three years:

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters:

Save and except as disclosed in this section titled “*Our Promoters & Promoter Group*” beginning on page 107 of this Draft Red Herring Prospectus, there are no other ventures, in which our Promoters have any business interests/ other interests.

Litigation details pertaining to our Promoters:

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 168 of this Draft Red Herring Prospectus.

Experience of Promoters in the line of business:

Our Promoters include Manish Kumar Sharma, Chairman & Managing Director have more than 22 years of experience and Neeraj Kumar, Chief Executive Officer & Whole Time Director; have more than 25 years of experience, in the IT Infrastructure industry. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions:

For the transactions with our Promoter Group, please refer to section titled “*Annexure XXXI - Related Party Transactions*” on page 148 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1) (pp) (ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

| Relationship with Promoter | Manish Kumar Sharma | Neeraj Kumar |
|-----------------------------------|----------------------------|---------------------------|
| Father | Shyam Sundar Sharma | Bishun Choudhary |
| Mother | Pushpa Sharma | Late Renu Chokraworty |
| Spouse | Nidhi Sharma | Sarita Kumari |
| Brother | - | Pankaj Kumar |
| Sister | Shalini Sharma | - |
| Son | Anay Sharma | Ansh Kumar |
| Daughter | Ananya Sharma | Reyanshi Chokraworty |
| Spouse's Father | Dinesh Kumar Joshi | Late Radha Krishan Prasad |
| Spouse's Mother | Chintamani Joshi | Kamla Devi |
| Spouse's Brother | Anupam Joshi | Anil Kumar |
| Spouse's Sister | - | - |

2. Corporate Entities or Firms forming part of the Promoter Group:

As per Regulation 2(1) (pp) (iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

| Sr. No. | Nature of Relationship | Entities |
|----------------|---|---|
| 1. | Any Body Corporate (other than Subsidiary & Associate) in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member; | N.A. |
| 2. | Any Body Corporate in which a body corporate as provided in (A) above holds 20% or more, of the equity share capital; and | N.A. |
| 3. | Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more 20% of the total capital. | <ul style="list-style-type: none">Sahyog Mahila Grah Udyog SansthanM/s Takyon Networks |

3. Other persons included in Promoter Group:

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp) (v) of SEBI (ICDR) Regulations, 2018.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. 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 may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not paid/ declared any dividend in last three years from date of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VI – FINANCIAL INFORMATION OF THE COMPANY

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS

Independent Auditor's Report on Restated Consolidated Financial Statements

To
The Board of Directors
Takyon Networks Limited
CP 37, Viraj Khand Gomti Nagar,
Lucknow, Uttar Pradesh, India, 226010

Dear Sirs,

1. We have examined the attached restated financial statements of **TAKYON NETWORKS LIMITED** (hereinafter referred to as "**the Company**") (formed by conversion of a Private Limited Company i.e Takyon Networks Private Limited", under the provisions of Companies Act, 2013) and its subsidiary (the Company and its subsidiaries collectively referred to as the "Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024 and March 31, 2023 and the Restated Standalone Statement of Assets and Liabilities as at March 31, 2022, the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the year ended March 31, 2024, March 31, 2023 and the Restated Standalone Statements of Profit and Loss, the Restated Standalone Cash Flow Statement for the year ended March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 13th September, 2024, for the purpose of inclusion in the Draft Red Herring Prospectus/ Prospectus("Offer Document") prepared by the Company in connection with its proposed SME Initial Public Offer.

These Restated Summary Statements for offer of equity shares ("SME IPO") prepared in accordance with the requirements of:

- (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of part I of chapter III of the Companies Act, 2013 including Rules thereon, as amended ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("ICDR Regulations") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI")
 - (iii) The terms of reference to our engagements with the Company letter dated 22nd April, 2024 requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of relevant stock Exchange. ("IPO" or "SME IPO"); and
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")
2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Kanpur in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
 3. We, **M/s A D V & Associates** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds the peer review certificate dated 25 January, 2022 valid till 31 January, 2025. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
 4. These Restated Financial Statement have been compiled by the management of the company from Audited Consolidated Financial Statements of the company as at and for the year ended 31st March, 2024 and 31st March, 2023 and Audited Standalone Financial Statements of the company as at and for the year ended 31st March, 2022 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
 5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- (i) The “restated statement of asset and liabilities” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The “restated statement of profit and loss” of the Company for the year ended on March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in Annexure II to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “restated statement of cash flows” of the Company for the year ended on March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in Annexure III to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
6. Based on our examination, we are of the opinion that the restated financial statements have been prepared after incorporating:
- Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
 - Adjustments for prior period and other material amounts in the respective financial year to which they relate and there are no qualifications which require adjustments and
 - There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments
 - There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on 31st March 2024, 2023, and 2022 which would require adjustments in this Restated Financial Statements of the Company.
 - These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report.
7. Audit of **TAKYON NETWORKS LIMITED** (erstwhile Private Limited ‘Takyon Networks Private Limited’) for the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 was conducted by M/s Shailendra Vishnu & Co. and accordingly reliance has been placed on the financial information examined by them for the said years. We have also done reaudit for the financial year ended on 31st March, 2024.
8. We have also examined the following other financial information relating to the Company prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for the year ended 31st March 2024, 31st March 2023 and 31st March 2022 proposed to be included in the Offer Document.
9. We did not audit financial statements of a subsidiary whose share of profit included in the financial information, for the relevant year is tabulated below, which have been audited by other auditors and whose report have been furnished to us by the Company’s Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the report of the other auditors:

(Rs. In Lakhs)

| Particulars | for the year ended March 31, 2024 | for the year ended March 31, 2023 |
|-----------------------|--|--|
| Number of subsidiary | 1 | 1 |
| Revenue of Subsidiary | 1,575.35 | - |

Annexure to restated financial statements of the Company: -

- Summary Statement of Assets and Liabilities, as restated as appearing in ANNEXURE I;
- Summary Statement of Profit and Loss, as restated as appearing in ANNEXURE II;
- Summary Statement of Cash flow as restated as appearing in ANNEXURE III;
- Restated significant accounting policies and notes to accounts as appearing in ANNEXURE IV;
- Share capital as restated as appearing in ANNEXURE V to this report;
- Reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- Minority Interest as restated as appearing in ANNEXURE VII to this report;
- Long-term borrowings as restated as appearing in ANNEXURE VIII to this report;
- Deferred tax asset/liability as restated as per ANNEXURE IX to this report;
- Long-term provisions as restated as appearing in ANNEXURE X to this report;
- Short-term borrowings as restated as appearing in ANNEXURE XI to this report;
- Trade payables as restated as appearing in ANNEXURE XII to this report;
- Other current liabilities as restated as appearing in ANNEXURE XIII to this report;
- Short-term provisions as restated as appearing in ANNEXURE XIV to this report;
- Property, Plant & Equipment as restated as appearing in ANNEXURE XV to this report;
- Other non-current assets as restated as appearing in ANNEXURE XVI to this report;
- Inventories as restated as appearing in ANNEXURE XVII to this report;
- Trade receivables as restated as appearing in ANNEXURE XVIII to this report;

19. Cash & cash equivalents as restated as appearing in ANNEXURE XIX to this report;
 20. Short-term loans & advances as restated as appearing in ANNEXURE XX to this report;
 21. Other current assets as restated as appearing in ANNEXURE XXI to this report;
 22. Revenue from operations as restated as appearing in ANNEXURE XXII to this report;
 23. Other income as restated as appearing in ANNEXURE XXIII to this report;
 24. Cost of Service provided as restated as appearing in ANNEXURE XXIV to this report;
 25. Purchase of Stock in Trade as restated as appearing in ANNEXURE XXV to this report;
 26. Changes in inventories of stock in trade as restated as appearing in ANNEXURE XXVI to this report;
 27. Employees benefit expenses as restated as appearing in ANNEXURE XXVII to this report;
 28. Finance costs as restated as appearing in ANNEXURE XXVIII to this report;
 29. Depreciation and amortization expenses as restated as appearing in ANNEXURE XXV to this report;
 30. Other expenses as restated as appearing in ANNEXURE XXIX to this report;
 31. Contingent liabilities as restated as appearing in ANNEXURE XXX to this report;
 32. Related party transactions as restated as appearing in ANNEXURE XXXI to this report;
 33. Tax shelter as restated as appearing in ANNEXURE XXXII to this report;
 34. Capitalisation statement as at 31st March, 2024 as restated as appearing in ANNEXURE XXXIII to this report;
 35. Statement of accounting ratios & additional Information as restated as appearing in ANNEXURE XXXIV to this report,
 36. Additional Regulatory Information as restated as appearing in ANNEXURE XXXV to this report,
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned above.
 11. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
 12. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
 13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 14. In our opinion, the above financial information contained in Annexure I to XXXV of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
 15. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

M/s A D V & Associates
Chartered Accountants
Firm Registration No: 128045W

SD/-

Vijay Jaju
Partner
M. No. 613332
UDIN: 24613332BKPNHX9865
Date: September 11, 2024
Place: Mumbai

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED
ANNEXURE – I

(₹ In Lakhs)

| Particulars | Annexure No. | As at March 31, | | |
|---|--------------|-----------------|-----------------|-----------------|
| | | 2024 | 2023 | 2022 |
| | | Consolidated | | Standalone |
| I. EQUITY AND LIABILITIES | | | | |
| (1) Shareholder's Funds | | | | |
| (a) Share Capital | V | 351.00 | 351.00 | 351.00 |
| (b) Reserves and Surplus | VI | 2,475.55 | 1,935.44 | 1,654.27 |
| (2) Share Application Money Pending Allotment | | - | - | - |
| Minority Interest | VII | 0.19 | 0.00 | - |
| (3) Non-Current Liabilities | | | | |
| (a) Long-Term Borrowings | VIII | 275.45 | 502.44 | 218.74 |
| (b) Deferred Tax Liability(Net) | IX | | | 4.78 |
| (c) Other Long-term Liabilities | | - | - | - |
| (d) Long Term Provision | X | 140.63 | 111.55 | 85.69 |
| (4) Current Liabilities | | | | |
| (a) Short Term Borrowing | XI | 1,561.11 | 1,361.31 | 312.87 |
| (b) Trade Payables | XII | | | |
| (i) total outstanding dues of micro enterprises and small enterprises; and | | 82.20 | 216.05 | 8.72 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,116.71 | 2,009.12 | 1,187.91 |
| (c) Other Current Liabilities | XIII | 266.92 | 440.01 | 700.77 |
| (d) Short-Term Provisions | XIV | 13.17 | 40.09 | 19.09 |
| Total | | 7,282.94 | 6,967.02 | 4,543.84 |
| II.ASSETS | | | | |
| (1) Non-Current Assets | | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | | |
| (i) Property, Plant and Equipment | XV | 277.30 | 243.99 | 212.12 |
| (ii) Intangible Assets | | 78.18 | 121.42 | 164.66 |
| (iii)Capital Work-in-Progress | | - | - | - |
| (iii)Intangible assets under development | | | | |
| (b) Non-Current Investment | | - | - | - |
| (c) Deferred Tax Assets (Net) | IX | 9.68 | 1.21 | - |
| (d) Long-term Loans and Advances | | - | - | - |
| (e) Other Non-Current Assets | XVI | 706.12 | 668.97 | 633.18 |
| (2) Current Assets | | | | |
| (a) Current Investments | | - | - | - |
| (b) Inventories | XVII | 1,180.43 | 1,739.89 | 252.68 |
| (c) Trade Receivables | XVIII | 3,937.51 | 3,050.20 | 1,997.81 |
| (d) Cash and Bank Balances | XIX | 85.18 | 29.82 | 297.62 |
| (e) Short-Term Loans And Advances | XX | 177.81 | 161.52 | 237.51 |
| (f) Other Current Assets | XXI | 830.72 | 950.00 | 748.26 |
| Total | | 7,282.94 | 6,967.02 | 4,543.84 |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE – II
(₹ In Lakhs)

| Sr. No. | Particulars | Annexure No. | For the year ended March 31, | | |
|----------|---|--------------|------------------------------|-----------------|-----------------|
| | | | 2024 | 2023 | 2022 |
| | | | Consolidated | | Standalone |
| A | <u>Revenue:</u> | | | | |
| | Revenue From Operations (Net of Taxes) | XXII | 10,750.09 | 6,323.72 | 5,905.56 |
| | Other Income | XXIII | 74.45 | 72.89 | 22.97 |
| | Total Revenue | | 10,824.54 | 6,396.60 | 5,928.53 |
| | <u>Expenses:</u> | | | | |
| | Cost of Service Provided | XXIV | 2,763.57 | 350.57 | 441.22 |
| B | Purchase of Stock in Trade | XXV | 3,978.93 | 4,741.15 | 2,880.31 |
| | Changes in inventories of stock in trade | XXVI | 577.44 | -1,487.21 | 3.41 |
| | Employee benefit expenses | XXVII | 1,646.74 | 1,525.08 | 1,364.53 |
| | Financial Cost | XXVIII | 322.37 | 177.11 | 126.77 |
| | Depreciation and amortization expenses | XV | 70.47 | 59.11 | 53.19 |
| | Others Expenses | XXIX | 748.47 | 633.73 | 592.34 |
| | Total Expenses | | 10,108.00 | 5,999.55 | 5,461.77 |
| C | Profit before exceptional ,extraordinary items and tax | | 716.54 | 397.06 | 466.76 |
| | Less: Exceptional Items | | - | - | - |
| | Profit before extraordinary items and tax (A-B) | | 716.54 | 397.06 | 466.76 |
| | Extra ordinary items | | - | - | - |
| D | Profit before tax | | 716.54 | 397.06 | 466.76 |
| | <i>Tax expense :</i> | | | | |
| | Current tax | | 202.70 | 121.88 | 144.32 |
| | Deferred Tax | | 8.47 | 5.99 | 7.20 |
| | Profit/(Loss) for the period After Tax- PAT | | 522.31 | 281.17 | 329.63 |
| | No. of Shares | | 10,530,000 | 10,530,000 | 10,530,000 |
| E | Earning per Equity Share: Basic/Diluted | | | | |
| | (1) Basic | | 4.96 | 2.67 | 3.13 |
| F | (2) Diluted | | 4.96 | 2.67 | 3.13 |

ANNEXURE -III

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|---|------------------------------|------------------|----------------|
| | 2024 | 2023 | 2022 |
| | Consolidated | | Standalone |
| Cash Flow From Operating Activities: | | | |
| Net Profit before tax as per Profit And Loss A/c | 716.54 | 397.06 | 466.76 |
| Adjustments for: | - | - | - |
| Opening Reserve Adjustment | - | - | -59.49 |
| Gratuity | 18.95 | 18.15 | 18.31 |
| Leave Encashment | 13.84 | 12.46 | 12.61 |
| Unrealised Profit on Stock | 17.98 | - | - |
| Depreciation & Amortisation Expense | 70.47 | 59.11 | 53.19 |
| Profit/Loss on Sales Property, Plant and Equipments | - | - | - |
| Interest Income | -68.14 | -26.88 | -22.71 |
| Finance Cost | 322.37 | 177.11 | 126.77 |
| Bad Debts | 14.03 | 18.59 | 112.97 |
| Minority Interest | - | 0.00 | - |
| Operating Profit Before Working Capital Changes | 1,106.05 | 655.59 | 708.40 |
| Adjusted for (Increase)/ Decrease in: | | | |
| Short term provision | - | - | 125.29 |
| Long Term Provisions | - | - | 56.23 |
| Trade Receivables | -901.35 | -1,070.97 | -434.39 |
| Inventories | 559.46 | -1,487.21 | 3.41 |
| Other Current assets | 213.99 | -201.73 | 586.25 |
| Other Non current Assets | -37.16 | -35.79 | -633.18 |
| Trade Payables | -26.25 | 1,028.53 | 132.63 |
| Other Current Liabilities | -173.08 | -260.76 | 31.96 |
| Short Term Loans & Advances | -16.28 | 75.99 | -237.51 |
| Cash Generated From Operations | 725.38 | -1,296.35 | 339.09 |
| Appropriation of Profit | - | - | - |
| Net Income Tax paid/ refunded | 328.05 | 105.62 | 251.97 |
| Net Cash Flow from/(used in) Operating Activities: (A) | 397.32 | -1,401.97 | 87.12 |
| Cash Flow From Investing Activities: | | | |
| Purchase of Property, Plant and Equipments (including capital work in progress & Intangible assets) | -60.54 | -47.89 | -31.51 |
| Sale of Property, Plant and Equipments | - | 0.15 | - |
| Interest Income | 68.14 | 26.88 | 22.71 |
| Net Cash Flow from/(used in) Investing Activities: (B) | 7.59 | -20.86 | -8.80 |
| Cash Flow from Financing Activities: | | | |
| Proceeds from Long term Borrowings (including Current Maturity) | 132.53 | 790.99 | 208.59 |
| Repayment of Long term Borrowings (including Current Maturity) | -430.49 | -222.79 | -202.70 |
| Net Increase/(Decrease) in Short Term Borrowing | 270.76 | 763.96 | -30.28 |
| Interest Paid | -322.37 | -177.11 | -126.77 |
| Net Cash Flow from/(used in) Financing Activities (C) | -349.56 | 1,155.03 | -151.16 |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 55.36 | -267.80 | -72.84 |
| Cash & Cash Equivalents As At Beginning of the Year | 29.82 | 297.62 | 370.46 |
| Cash & Cash Equivalents As At End of the Year | 85.18 | 29.82 | 297.62 |

Notes:

| 1. Components of Cash & Bank Balances | For the year ended March 31, | | |
|--|------------------------------|--------------|---------------|
| | 2024 | 2023 | 2022 |
| Cash on Hand | 23.88 | 7.77 | 3.19 |
| Bank Balance | 61.30 | 22.06 | 294.43 |
| Fixed Deposits (Maturity Less than 3 Months) | - | - | - |
| Other Bank Balances: | - | - | - |
| Deposits with original maturity for more than 3 months but less than 12 months | - | - | - |
| Total | 85.18 | 29.82 | 297.62 |

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

ANNEXURE – IV

SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION

COMPANY OVERVIEW

TAKYON NETWORKS LIMITED was, incorporated on 12th may 2015 having its registered office at at CP 37, Viraj Khand Gomti Nagar, Lucknow, Uttar Pradesh, India, 226010 and is engaged in the business of providing IT Infra solutions, enterprise networking, network security and web based surveillance services.

I. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements:

The Restated Statement of Consolidated Assets and Liabilities as at March 31, 2024, March 31, 2023 and Restated Statement of Standalone Assets and Liabilities as at March 31, 2022 the Restated Statements of Consolidated Profit and Loss, the Restated Consolidated Cash Flow Statement for the year ended March 31, 2024, March 31, 2023 and the Restated Statements of Standalone Profit and Loss, the Restated Standalone Cash Flow Statement for the year ended March 31, 2022 the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Consolidated Financial Statements (collectively, the “Restated Consolidated Financial Information”), as approved by the Board of Directors of the company.

These Restated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of Consolidated Financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. Use of Estimates

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Subsidiary:

Principles of Consolidation

The Restated Consolidated Financial Information comprise the financial statements of the Parent and its subsidiaries for the years ended March 31, 2024, March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Any gain/loss on acquisition or disposal of subsidiary are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The Group combines the restated financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between

group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

The group has following investment in subsidiary:

| Name of the Company | Country of Incorporation | Relationship | Ownership Interest March 31, 2024 | Ownership Interest March 31, 2023 | Ownership Interest March 31, 2022 |
|--------------------------|--------------------------|--------------|-----------------------------------|-----------------------------------|-----------------------------------|
| TNPL IT Services Pvt Ltd | India | Subsidiary | 99.99% | 99.99% | - |

D. ACCOUNTING CONVENTION

The Company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these restated financial statements:

1. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

2. Property, Plant and Equipment:

- a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on fixed assets will be calculated using the Straight Line (SLM) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

3. IMPAIRMENT

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS

Defined-contribution plans:

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end.

5. Inventory

Inventories are valued after providing for obsolescence, as follows:

Stock in Trade -Lower of cost and net realizable value. Cost is determined on First in First Out Method (FIFO) basis.

6. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

7. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

8. INCOME TAX

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

9. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

10. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

11. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

12. SEGMENT REPORTING

The company operates in one single segment hence no requirement of segment reporting.

13. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

| Details of Gratuity Expenses | 2023-24 | 2022-23 | 2021-22 |
|---|----------------|----------------|----------------|
| <u>Profit and loss account for the period</u> | | | |
| Current service cost | 22.36 | 20.76 | 19.16 |
| Interest Cost | 5.14 | 3.83 | 2.50 |
| Expected return on plan assets | - | - | - |
| Net actuarial loss/(gain) | (7.58) | (6.44) | (3.30) |
| Recognized Past Service Cost-Vested | - | - | - |
| Benefits paid | - | - | - |
| Loss (gain) on curtailments | - | - | - |
| Total included in 'Employee Benefit Expense' | 19.92 | 18.15 | 18.36 |
| prior year charge | | | |
| Total Charge to P&L | | | |
| <u>Reconciliation of defined benefit obligation</u> | | | |
| Opening Defined Benefit Obligation | 70.93 | 52.79 | 34.42 |
| Transfer in/(out) obligation | - | - | - |
| Current service cost | 22.36 | 20.76 | 19.16 |
| Interest cost | 5.14 | 3.83 | 2.50 |
| Actuarial loss (gain) | (7.58) | (6.44) | (3.30) |
| Past service cost | - | - | - |
| Benefits paid | (0.97) | - | - |
| prior year charge | | | |
| Closing Defined Benefit Obligation | 89.88 | 70.94 | 52.79 |
| <u>Table of experience adjustments</u> | | | |
| Defined Benefit Obligation | (7.58) | (6.44) | - |
| Plan Assets | - | - | - |
| Surplus/(Deficit) | 82.3 | 64.5 | 52.79 |
| <u>Reconciliation of plan assets</u> | | | |
| Opening value of plan assets | - | - | - |
| Transfer in/(out) plan assets | - | - | - |
| Expenses deducted from the fund | - | - | - |
| Expected return | - | - | - |
| Actuarial gain/(loss) | - | - | - |
| Contributions by employer | - | - | - |
| Benefits paid | - | - | - |
| Closing value of plan assets | - | - | - |
| Details of Gratuity Expenses | | | |
| <u>Reconciliation of net defined benefit liability</u> | | | |
| Net opening provision in books of accounts | 70.93 | 52.79 | 34.42 |
| -Transfer in/(out) obligation | - | - | - |
| Transfer (in)/out plan assets | - | - | - |
| Employee Benefit Expense | 19.92 | 18.15 | 18.36 |
| Benefits paid by the Company | (0.97) | - | - |
| Contributions to plan assets | - | - | - |
| Closing provision in books of accounts | 89.89 | 70.94 | 52.79 |
| <u>Bifurcation of liability</u> | | | |
| Current Liability | 5.17 | 3.40 | 0.15 |
| Non-Current Liability | 84.72 | 67.54 | 52.64 |
| Net Liability | 89.89 | 70.94 | 52.79 |

| Principle actuarial assumptions | | | |
|--|-------|-------|-------|
| Discount Rate | 7.25% | 7.25% | 7.25% |
| Expected Return on Plan Assets | N.A. | N.A. | N.A. |
| Salary Escalation Rate | 5% | 5% | 5% |

| Details of Leave Encashment Expenses | 2023-24 | 2022-23 | 2021-22 |
|--|----------------|----------------|----------------|
| Profit and loss account for the period | | | |
| Current service cost | 17.29 | 15.68 | 14.70 |
| Interest Cost | 3.63 | 2.73 | 1.82 |
| Expected return on plan assets | - | - | - |
| Net actuarial loss/(gain) | (6.60) | (5.36) | (3.92) |
| Recognized Past Service Cost-Vested | - | - | - |
| Benefits paid | - | - | - |
| Loss (gain) on curtailments | - | - | - |
| Total included in 'Employee Benefit Expense' | 14.31 | 13.05 | 12.61 |
| prior year charge | | | |
| Total Charge to P&L | | | |
| Reconciliation of defined benefit obligation | | | |
| Opening Defined Benefit Obligation | 50.08 | 37.62 | 25.07 |
| Transfer in/(out) obligation | - | - | - |
| Current service cost | 17.29 | 15.69 | 14.70 |
| Interest cost | 3.63 | 2.73 | 1.82 |
| Actuarial loss (gain) | (6.60) | (5.36) | (3.91) |
| Past service cost | - | - | - |
| Benefits paid | (0.48) | (0.59) | (0.05) |
| prior year charge | | | |
| Closing Defined Benefit Obligation | 63.92 | 50.08 | 37.62 |
| Table of experience adjustments | | | |
| Defined Benefit Obligation | 63.92 | 50.08 | 37.62 |
| Plan Assets | - | - | - |
| Surplus/(Deficit) | 63.92 | 50.08 | 37.62 |
| Reconciliation of plan assets | | | |
| Opening value of plan assets | - | - | - |
| Transfer in/(out) plan assets | - | - | - |
| Expenses deducted from the fund | - | - | - |
| Expected return | - | - | - |
| Actuarial gain/(loss) | - | - | - |
| Contributions by employer | - | - | - |
| Benefits paid | - | - | - |
| Closing value of plan assets | - | - | - |
| Reconciliation of net defined benefit liability | | | |
| Net opening provision in books of accounts | 50.08 | 37.62 | 25.07 |
| -Transfer in/(out) obligation | - | - | - |
| Transfer (in)/out plan assets | - | - | - |
| Employee Benefit Expense | 14.31 | 13.05 | 12.61 |
| Benefits paid by the Company | (0.48) | (0.59) | (0.05) |
| Contributions to plan assets | - | - | - |
| Closing provision in books of accounts | 63.92 | 50.08 | 37.62 |
| Bifurcation of liability | | | |
| Current Liability | 8.00 | 6.07 | 4.56 |
| Non-Current Liability | 55.92 | 44.01 | 33.05 |
| Net Liability | 63.92 | 50.08 | 37.62 |
| Principle actuarial assumptions | | | |
| Discount Rate | 7.25% | 7.25% | 7.25% |
| Expected Return on Plan Assets | N.A. | N.A. | N.A. |
| Salary Escalation Rate | 5% | 5% | 5% |

II. NOTES TO RESTATED SUMMARY STATEMENTS:

1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources.

2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has disclosed the same as required by Schedule III to the Companies Act, 2013.

3. Related Party Transactions

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-XXXII of the enclosed financial statements.

4. Auditors' Remuneration :

(Rs. In Lakhs)

| Particulars | 2023-24 | For the Year Ended | |
|----------------------------|-------------|--------------------|-------------|
| | | 2022-23 | 2021-22 |
| Statutory & Tax Audit fees | 1.15 | 1.15 | 1.00 |
| Total | 1.15 | 1.15 | 1.00 |

- Figures have been rearranged and regrouped wherever practicable and considered necessary.
- The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

8. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

10. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor's Report for F.Y. 2023-24, 2022-23, 2021-22 which requires adjustments in restated financial statements.

11. Amounts in the Financial Statements

Amounts in the Financial Statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

RECONCILIATION OF RESTATED PROFIT:

(Rs In Lakhs)

| Adjustments for | 2023-24 | For the Year Ended | |
|--|---------------|--------------------|---------------|
| | | 2022-23 | 2021-22 |
| Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 549.78 | 332.95 | 351.71 |
| <u>Adjustments for:</u> | | | |
| Short/Excess Provision for tax | 12.71 | 25.04 | -10.38 |
| Deferred Tax | 6.33 | 3.44 | 4.72 |
| Salaries & Wages | 1.45 | 0.60 | 0.05 |
| Change in Inventory | - | -35.44 | - |
| Gratuity | -19.93 | -18.15 | -18.36 |
| Leave Encashment | -14.31 | -13.05 | -12.61 |
| Depreciation | -33.40 | -28.68 | -28.68 |
| Purchase | -23.55 | -28.72 | |
| License Fee | 43.24 | 43.24 | 43.24 |
| Loan Processing Fee | - | - | -0.07 |
| Interest Expenses | 0.14 | -0.05 | - |
| Audit Fee | -0.15 | - | - |
| Net Profit/ (Loss) After Tax as Restated | 522.31 | 281.17 | 329.63 |

- The provision for gratuity and leave encashment has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits
- Due to Gratuity provision the deferred tax component on the same has also undergone change.

3. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years.
4. Depreciation changed due to overcharge of depreciation and License Fee Expenses related to amortization transferred to Depreciation.
5. Interest Expenses and Bank Charges has been booked in the respective year.
6. Purchase has changed due to under booking of purchase.
7. Inventory changed due to overvaluation of Inventory.
8. Audit Fee changed due to under booking of Audit Fee.

RECONCILIATION OF EQUITY AND RESERVES:

(Rs in lakhs)

| Adjustments for | For the Year Ended | | |
|--|--------------------|-----------------|-----------------|
| | 2023-24 | 2022-23 | 2021-22 |
| Equity and Reserve as per Audited Balance sheet | 2,954.63 | 2,389.98 | 2,064.92 |
| Adjustments for: | | | |
| Difference Due to Change in P&L | -27.47 | -51.78 | -22.07 |
| Prior period Adjustments (Refer Note-1) | -100.61 | -51.75 | -37.58 |
| Equity and Reserve as per Re-stated Balance sheet | 2,826.55 | 2,286.44 | 2,005.27 |

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit:

Note: 1

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the Restated Financial Statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

DETAILS OF SHARE CAPITAL AS RESTATED

ANNEXURE - V
(₹ In Lakhs, except no of share)

| Particulars | As at March 31, | | |
|---|------------------|------------------|------------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| EQUITY SHARE CAPITAL: | | | |
| AUTHORISED: | | | |
| 45,00,000 Equity shares of Rs. 10 each | 450.00 | 450.00 | 450.00 |
| | 450.00 | 450.00 | 450.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | | |
| 35,10,000 Equity shares of Rs. 10 each | 351.00 | 351.00 | 351.00 |
| | 351.00 | 351.00 | 351.00 |
| Reconciliation of number of shares outstanding at the end of the year: | | | |
| Equity Shares at the beginning of the year | 3,510,000 | 3,510,000 | 3,510,000 |
| Add: Shares issued during the year | - | - | - |
| TOTAL | 3,510,000 | 3,510,000 | 3,510,000 |

Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| Details of Shareholders holding more than 5% of the aggregate shares of the company: | | |
|--|----------------------|----------------|
| Particulars | As at March 31, 2024 | |
| | No. of share | % of Holding |
| i) Manish Kumar Sharma | 1,755,000 | 50.00% |
| ii) Neeraj Kumar | 1,755,000 | 50.00% |
| Total | 3,510,000 | 100.00% |
| Particulars | As at 31 March 2023 | |
| | No. of share | % of Holding |
| i) Manish Kumar Sharma | 1,755,000 | 50.00% |
| ii) Neeraj Kumar | 1,755,000 | 50.00% |
| Total | 3,510,000 | 100.00% |
| Particulars | As at 31 March, 2022 | |
| | No. of share | % of Holding |
| i) Manish Kumar Sharma | 1,755,000 | 50.00% |
| ii) Neeraj Kumar | 1,755,000 | 50.00% |
| Total | 3,510,000 | 100.00% |

| Particulars | As at March 31, 2024 | | |
|------------------------|----------------------|----------------|-----------------------------|
| | No. of share | % of Holding | Change of % During the year |
| i) Manish Kumar Sharma | 1,755,000 | 50.00% | NIL |
| ii) Neeraj Kumar | 1,755,000 | 50.00% | NIL |
| Total | 3,510,000 | 100.00% | |
| Particulars | As at 31 March 2023 | | |
| | No. of share | % of Holding | Change of % During the year |
| i) Manish Kumar Sharma | 1,755,000 | 50.00% | 0.00% |
| ii) Neeraj Kumar | 1,755,000 | 50.00% | 0.00% |
| Total | 3,510,000 | 100.00% | |
| Particulars | As at 31 March, 2022 | | |
| | No. of share | % of Holding | Change of % During the year |
| i) Manish Kumar Sharma | 1,755,000 | 50.00% | NIL |
| ii) Neeraj Kumar | 1,755,000 | 50.00% | NIL |
| Total | 3,510,000 | 100.00% | |

Terms/rights attached to equity shares:

DETAILS OF RESERVE & SURPLUS AS RESTATED

ANNEXURE - VI
(₹ In Lakhs)

| Particulars | As at March 31, |
|-------------|-----------------|
|-------------|-----------------|

| | Consolidated | | Standalone |
|---|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Surplus :- | | | |
| Opening Balance | 1,935.44 | 1,654.27 | 1,362.21 |
| Add/Less; Intergroup Profit Elimination Impact on Inventory | 17.98 | - | - |
| Add - Current Year profit | 522.31 | 281.17 | 329.63 |
| Add/Less: Round off Difference | - | - | - |
| Add/Less: Depreciation Adjustment | | | 40.02 |
| Add/Less: Gratuity | | | -34.43 |
| Add/Less: Leave Encashment | | | -25.07 |
| Add/Less: Deferred Tax | | | -18.10 |
| Add/Less: Minority Share | -0.19 | 0.00 | - |
| Closing Balance | 2,475.55 | 1,935.44 | 1,654.27 |
| TOTAL | 2,475.55 | 1,935.44 | 1,654.27 |

MINORITY INTEREST AS RESTATED
ANNEXURE - VII
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|-------------------|-----------------|-------------|------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Minority Interest | 0.19 | 0.00 | - |
| Total | 0.19 | 0.00 | |

DETAILS OF LONG TERM BORROWING
ANNEXURE – VIII
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|---|-----------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Secured Loans (from banks) | | | |
| Term Loan | 146.57 | 134.49 | 177.20 |
| Less; Current Maturity of Long-term Borrowing | -37.69 | -29.03 | -65.58 |
| Unsecured Loan | | | |
| Loan from related parties - | | | |
| Loan from Directors | 36.00 | 16.00 | 16.00 |
| Loan from non-related parties- | | | |
| Loan from Banks/NBFC | - | - | - |
| Term Loan | 431.09 | 761.12 | 150.22 |
| Less; Current Maturity of Long-term Borrowing | -300.51 | -380.14 | -59.10 |
| TOTAL | 275.45 | 502.44 | 218.74 |

DETAILS OF LONG TERM PROVISION
ANNEXURE - X
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|---------------|--------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Provision for Employee Benefits | | | |
| Provision for Gratuity | 84.72 | 67.54 | 52.63 |
| Provision for Leave Encashment | 55.91 | 44.01 | 33.06 |
| TOTAL | 140.63 | 111.55 | 85.69 |

DETAILS OF SHORT-TERM BORROWING AS RESTATED
ANNEXURE – XI
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|-----------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Secured Loan | | | |
| (a) Current Maturities of Long term borrowings - Term loan | 37.69 | 29.03 | 65.58 |
| (b) Cash Credit | 529.09 | 175.82 | 70.90 |
| (c) Credit Facility | 199.58 | - | - |
| Unsecured Loan | | | |
| (a) Current Maturities of Long term borrowings - Term loan | 300.51 | 380.14 | 59.10 |
| (b) Credit Facility | 494.23 | 776.33 | 117.29 |
| Total | 1,561.11 | 1,361.31 | 312.87 |

Statement of Principal Terms of Secured & Unsecured Loans and Assets Charged as Security

| Secured Loans | | | | | | | | | | | | |
|----------------------|-------------------|-----------------|----------------------------------|----------------------------------|--------------------------------------|---|-------------------------------|---------------------|------------|-------------------|-------------------|-------------------|
| Sr. No. | Name of Lender | Purpose | Loan/ Agreement A/c No./Ref. No. | Sanction Date (1st disbursement) | Sanctioned Amount (1st disbursement) | Rate of interest (starting ROI) | Primary & Collateral Security | Re-Payment Schedule | Moratorium | 31st March , 2024 | 31st March , 2023 | 31st March , 2022 |
| 1 | HDFC BANK LIMITED | Working capital | 50200051330820 | 19-Aug-20 | 700.00 | 10.98 ROI 10.98 linked with 3 month t bill 6.91 | Note 1 | On Demand | NA | 529.09 | 175.82 | -278.93 |

| Secured Loans | | | | | | | | | | | | |
|----------------------|-------------------------|---------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------------------|-------------------------------|---|------------|-------------------|-------------------|-------------------|
| Sr. No. | Name of Lender | Purpose | Loan/ Agreement A/c No./Ref. No. | Sanction Date (1st disbursement) | Sanctioned Amount (1st disbursement) | Rate of interest (starting ROI) | Primary & Collateral Security | Re-Payment Schedule | Moratorium | 31st March , 2024 | 31st March , 2023 | 31st March , 2022 |
| 1 | HDFC BANK | Car Purchase | A/C-111141118 | 30-Jun-20 | 4.00 | 9.50% | Car | Repayment in 60 EMIs of Rs. 8401 | NA | 1.26 | 2.10 | 2.87 |
| 2 | CAR LOAN | Car Purchase | A/C 140798309 | 29-Apr-23 | 20.79 | 9.00% | Car | Repayment in 60 EMIs of Rs. 43148 | NA | 17.64 | 0.00 | 0.00 |
| 3 | HDFC | Car Purchase | A/C .120024963 | 13-Jul-21 | 11.70 | 7.50% | Car | Repayment in 36 EMIs of Rs. 36394 | NA | 1.43 | 5.52 | 9.32 |
| 4 | HDFC | Business | A/C.-120882559 | 3-Aug-21 | 50.00 | 8.25% | Note 1 | Repayment in 48 Installement of Rs. 208762 after completion of moratorium period | NA | - | - | 41.84 |
| 5 | HDFC MSME LOAN | Term Loan | A/C 9048460 | 11-Nov-20 | 49.58 | 9.25% | Note 1 | Moratorium of 12 months in principal repayment, thereafter 36 EMIs of 145366. Interest to be paid during moratorium period. | NA | 12.08 | 27.44 | 41.63 |
| 6 | ICICI BANK | Car Purchase | A/C- LALUC0004777 7853 | 15-Apr-23 | 27.00 | 9.50% | Car | Repayment in 60 EMIs of Rs. 57002 | NA | 23.46 | 0.00 | 0.00 |
| 7 | HDFC WCDL LOAN | Business | 50200052100909 | 28-Sep-20 | 78.40 | 8.91% | Note 1 | On Demand | NA | - | - | 70.90 |
| 8 | ICICI Bank | Car Purchase | A/C NO- 03930770 | | 24.00 | 9.45% | Car | Repayment in 60 EMIs of Rs. 49602 | NA | 18.73 | 22.88 | 0.00 |
| 9 | ICICI Bank | Car Purchase | A/C NO. 45118485 | 7-Jan-22 | 21.29 | 8.25% | Car | Repayment in 60 EMIs of Rs. 43454 | NA | 13.13 | 17.09 | 20.73 |
| 10 | PNB Housing Finance Ltd | Property Purchase d | NHL/NOI/0118/4 84840 | 10-Apr-18 | 67.25 | 13.85% | Note 2 | Repayment in 120 EMIs of Rs. 70250 | NA | 58.83 | 59.47 | 60.81 |

| | | | | | | | | | | | | |
|--------------|----------------------------|-----------------|----------------|-----------|--------|--------|---|---------|----|---------------|---------------|---------------|
| 11 | Profectus Capital Pvt Ltd. | Working capital | FTIFDCOR002074 | 1/20/2024 | 200.00 | 13.00% | First and Exclusive charges on Inventory and Receivables. | 90 Days | NA | 199.58 | | |
| TOTAL | | | | | | | | | | 346.15 | 134.49 | 248.10 |

UNSECURED FROM DIRECTORS

| Sr. No. | Name of Lender | Purpose | Sanction Date | Re-Payment Schedule | Rate of Interest 2023-24 | 31st March, 2024 | Rate of Interest 2022-23 | 31st March, 2023 | Rate of Interest 2021-22 | 31st March, 2022 |
|--------------|----------------|----------|---------------|---------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|
| 1 | Paresh Goyal | Business | | NA | | 36.00 | | 16.00 | | 16.00 |
| TOTAL | | | | | | 36.00 | | 16.00 | | 16.00 |

UNSECURED FROM NON-RELATED PARTIES

| Sr. No. | Name of Lender | Purpose | Loan/ Agreement A/c No./Ref. No. | Sanction Date (1st transaction s) | Sanctioned Amount (1st disbursement t) | Re-Payment Schedule | Rate of Interest 2023-24 | 31st March, 2024 | Rate of Interest 2022-23 | 31st March, 2023 | Rate of Interest 2021-22 | 31st March, 2022 |
|---------|--------------------------|----------|----------------------------------|-----------------------------------|--|---|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|
| 1 | Aditya Birla | Business | ABLNBWBI00000502522 | 7/3/2021 | 25.00 | 12 EMIs of Rs. 230932 | - | - | - | - | 19.00% | 8.86 |
| 2 | Aditya Birla | Business | ABLNBWBI00000642469 | 1/31/2023 | 50.00 | 30 EMIs of Rs. 208196 | 18.00% | 31.29 | 18.00% | 48.92 | | |
| 3 | Bajaj Finserv Ltd. | Business | 445467460 | 10/24/2019 | 20.54 | 72 EMIs of Rs. 75275 | 19.00% | 12.82 | 19.00% | 18.86 | 19.00% | 20.54 |
| 4 | Fullerton India Ltd. | Business | 027702410832834 | 7/7/2021 | 30.00 | 13 EMIs of Rs. 275040 | 17.00% | 0.00 | - | - | 18.00% | 10.60 |
| 5 | HDFC GECL | Business | 452448140 | 2/17/2022 | 66.38 | 24 EMI of 51164, 36 EMI of Rs. 207762 and 1 EMI of 128288 | 9.25% | 64.80 | 8.25% | 66.38 | 8.25% | 66.38 |
| 6 | HDFC LOAN | Business | 137867632 | 2/3/2023 | 65.00 | 36 EMIs of Rs. 220579 | 13.50% | 44.48 | 13.50% | 63.53 | | |
| 7 | IDFC Bank Ltd. | Business | 45489444 | 8/2/2021 | 30.60 | 24 EMIs of Rs. 152768 | - | - | 18.00% | 5.89 | 18.00% | 21.59 |
| 8 | IDFC Bank Ltd. | Business | 100446724 | 12/22/2022 | 40.80 | 36 EMIs of Rs. 144450 | 16.50% | 27.26 | 16.50% | 39.02 | - | - |
| 9 | Kotak Mahindra Bank Ltd. | Business | CSG-153236039 | 6/30/2021 | 40.00 | 13 EMIs of Rs. 331528 | - | - | - | - | 8.00% | 12.87 |
| 10 | TCFSL | Business | A/c No.-0347000010969472 | 12/31/2020 | 20.49 | 24 EMIs of Rs. 102299 | - | - | - | - | 18.00% | 9.39 |
| 11 | Axis Bank Ltd. | Business | 887417112 | 5/22/2022 | 50.00 | 36 EMIs of Rs. 175785 | 16.00% | 22.31 | 16.00% | 38.41 | - | - |
| 12 | Fullerton India Ltd. | Business | 256702411369236 | 3/21/2023 | 50.14 | 24 EMIs of Rs. 246678 | 16.50% | 29.04 | 18.00% | 50.00 | - | - |

| | | | | | | | | | | | | |
|--------------|--|--------------------|---------------------------------|------------|--------|-----------------------|--------|---------------|--------|----------------|--------|---------------|
| 13 | Hero FinCorp Ltd. | Business | HCFLUCUBL 00012173874 | 3/20/2023 | 40.62 | 24 EMIs of Rs. 203732 | 19.00% | 23.77 | 19.00% | 40.42 | - | - |
| 14 | ICICI Bank Ltd. | Business | UPLUC00045 733884 | 5/26/2022 | 30.00 | 36 EMIs of Rs. 103868 | 15.00% | 13.26 | 15.00% | 22.94 | - | - |
| 15 | TCFSL | Business | TCFBL34700 0011410685 | 4/29/2022 | 35.00 | 24 EMIs of Rs. 171371 | 16.00% | 2.82 | 16.00% | 21.22 | - | - |
| 16 | Unity Small Finanace Bank Ltd. | Business | CFSLLUCLO AN000005002 880 | 5/4/2022 | 50.00 | 24 EMIs of Rs. 249621 | 18.00% | 6.94 | 18.00% | 33.31 | - | - |
| 17 | Mahindra & Mahindra | Business | IUBL0012334 4916 | 1/31/2023 | 25.17 | 36 EMIs of Rs. 92696 | 19.00% | 17.76 | 19.00% | 24.74 | - | - |
| 18 | NeoGrowth Credit Pvt.Ltd.New | Business | Application No.-1221088 | 3/1/2023 | 75.00 | 30 EMIs of Rs. 312500 | 18.06% | 47.70 | 18.06% | 73.74 | - | - |
| 19 | Kotak Mahindra Bank Ltd. | Business | CSG- 15481393 | 2/2/2023 | 75.00 | 13 EMIs of Rs. 628658 | 14.72% | 6.21 | 14.72% | 75.00 | - | - |
| 20 | IndusInd Bank | Business | 756000038054 | 2/28/2023 | 40.00 | 18 EMIs of Rs. 254271 | 17.50% | 14.53 | 17.50% | 40.00 | - | - |
| 21 | OXYZO FINANCIAL SERVICES | Business | 9913203430 | 8/24/2022 | 75.00 | 18 EMIs of Rs. 473198 | - | - | 16.50% | 52.02 | - | - |
| 22 | Poonawala Fincorp Ltd. | Business | | 3/16/2023 | 25.26 | 12 EMIs of Rs. 231640 | - | - | 10.00% | 6.75 | - | - |
| 23 | TATA CAPITAL | Business | 202346836994 | 3/16/2023 | 40.00 | 24 EMIs of Rs. 209507 | 13.00% | 15.99 | 13.00% | 40.00 | - | - |
| 24 | Siemens | Business | A10202087/ 1 | 4/10/2023 | 84.75 | 12 EMIs of Rs. 706230 | - | 50.11 | - | - | - | - |
| 25 | TATA CAPITAL FINANCIAL SERVICES LTD. | Working capital | CFD00001678 2 | 12/5/2021 | 175.00 | 90 Days | 11.50% | 174.67 | 11.00% | 173.61 | 11.00% | 56.88 |
| 26 | TATA CAPITAL FINANCIAL SERVICES LTD. | Working capital | | 2/16/2022 | 25.00 | 90 Days | 11.50% | 23.08 | 11.00% | 9.78 | 11.00% | 21.53 |
| 27 | Tvs Credit services Ltd. | Working capital | 5007MS01045 26 | 1/13/2023 | 100.00 | 90 Days | 12.00% | 59.58 | 12.00% | 99.71 | - | - |
| 28 | Tvs Credit services Ltd. | Working capital | DL5007MS01 74298 | 1/31/2023 | 300.00 | 120 Days | 12.00% | 236.90 | - | - | - | - |
| 29 | UGRO CAPITAL LIMITED | Working capital | 913020055267 217 | 12/24/2022 | 100.00 | 90 Days | - | - | 13.50% | 99.54 | - | - |
| 30 | Yes Bank Limited | Working capital | 061186900000 080 | 8/5/2021 | 200.00 | 90 Days | - | - | 10.10% | 259.24 | 9.50% | 38.88 |
| 31 | Yes Bank Ltd. | Working capital | 001886900000 467 | 3/9/2023 | 135.00 | 90 Days | - | - | 10.10% | 134.44 | - | - |
| TOTAL | | | | | | | | 925.32 | | 1537.44 | | 267.51 |

Security Details

A. Primary Security

1. Book Debts Up To 180 Days, Cash Margin @ 25% For Bg, Cg20200191835eg, Lc Issued From Other Bank, Pg Of All The Directors And Property Owners, Stock Up To 180 Days

B. Collateral (Commercial Property, Residential Property, Residential Plots)

1. EM of Commercial property situated at CP-37, Viraj Khand-4, Gomtinagar, Lucknow-226010 owned jointly by Manish Kumar Sharma & Neeraj Kumar
2. EM of residential property situated at C-1/203, Sector-1, Gomtinagar Extension, Lucknow-226010 owned jointly by Neeraj Kumar and Sarita Kumari
3. EM of residential flat situated at Tower-A, Flat No. 601, Belvedere Court, Shalimar One World, Sector-6, Gomtinagar Extension jointly owned by Manish Kumar Sharma and Nidhi Sharma
4. EM of residential plot situated at Plot No. C-4/951, Gomtinagar Extension, Sector-4, Lucknow-226010 owned jointly by Manish Kumar Sharma & Nidhi Sharma
5. EM of residential plot situated at C-3/177, Viraj Khand-3, Gomtinagar, Lucknow owned by Manish Kumar Sharma
6. Residential property at Arazi No-791 Pargana-haweli Tehsil-sadar, Mauzabasharatpur, tappa-kasba Gorakhpur Gorakhpur Uttar Pradesh 273001 owned by Shyam Sunder Sharma

Security Details

A. Primary Security

- 1 Office space at 2,5, Tower-A, The i-THUM, A-40, Sector-62, Noida, Uttar Pradesh, India-201301 owned by Takyon Networks Pvt. Ltd.

DETAILS OF TRADE PAYABLES AS RESTATED

ANNEXURE - XII
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|---|-----------------|-----------------|-----------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| For Micro, small & medium enterprises | 82.20 | 216.05 | 8.72 |
| For Other | 2,116.71 | 2,009.12 | 1,187.91 |
| Total | 2,198.91 | 2,225.16 | 1,196.63 |
| for Trade Payable Aging see Annexure XII(A) | | | |

Note: XII(A)

Ageing Analysis of Trade Payables as Restated

(Rs. in Lakhs)

| Sr. No | Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|------------------------|--|--------------|--------------|-------------------|-----------------|
| | | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| As at 31st March, 2024 | | | | | | |
| 1 | MSME | 76.58 | 0.45 | 4.88 | 0.29 | 82.20 |
| 2 | Others | 1,997.44 | 58.96 | 60.31 | - | 2116.71 |
| 3 | Not due MSME | - | - | - | - | - |
| 4 | Not due Others | - | - | - | - | - |
| 5 | Unbilled | - | - | - | - | - |
| 6 | Disputed dues – MSME | - | - | - | - | - |
| 7 | Disputed dues - Others | - | - | - | - | - |
| | | | | | | 2198.91 |
| As at 31st March, 2023 | | | | | | |
| 1 | MSME | 210.74 | 4.96 | - | 0.35 | 216.05 |
| 2 | Others | 1,859.65 | 73.72 | 75.75 | - | 2,009.12 |
| 3 | Not due MSME | - | - | - | - | - |
| 4 | Not due Others | - | - | - | - | - |
| 5 | Unbilled | - | - | - | - | - |
| 6 | Disputed dues – MSME | - | - | - | - | - |
| 7 | Disputed dues - Others | - | - | - | - | - |
| | | | | | | 2,225.16 |
| As at 31st March, 2022 (Standalone) | | | | | | |
| 1 | MSME | 7.90 | 0.48 | 0.35 | - | 8.72 |
| 2 | Others | 857.16 | 229.96 | 100.79 | - | 1,187.91 |
| 3 | Not due MSME | - | - | - | - | - |
| 4 | Not due Others | - | - | - | - | - |
| 5 | Unbilled | - | - | - | - | - |
| 6 | Disputed dues – MSME | - | - | - | - | - |
| 7 | Disputed dues - Others | - | - | - | - | - |
| | | | | | | 1,196.63 |

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

ANNEXURE - XIII
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--------------------------------|-----------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Advance from customers | 76.08 | 74.55 | 123.48 |
| Imprest Payable | 37.36 | 31.75 | 17.39 |
| Expenses Payable | 14.40 | 73.33 | 231.75 |
| Salary Payable, EPF, & ESIC | 92.33 | 124.22 | 110.08 |
| PF payable | 14.10 | 13.40 | 11.26 |
| ESI payable | 2.07 | 2.25 | 2.12 |
| TDS Payable | 30.59 | 62.11 | 69.83 |
| GST Payable (Duties and Taxes) | - | 58.40 | 134.87 |
| Total | 266.92 | 440.01 | 700.77 |

DETAILS OF SHORT TERM PROVISION AS RESTATED

ANNEXURE - XIV
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--------------------------------|-----------------|--------------|--------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Provisions: | | | |
| Provision for Income Tax | | 30.63 | 14.38 |
| TDS Payable | - | - | - |
| GST Payable (Duties and Taxes) | - | - | - |
| Provision for Gratuity | 5.17 | 3.39 | 0.15 |
| Provision for Leave Encashment | 8.00 | 6.07 | 4.56 |
| Closing Balance | 13.17 | 40.09 | 19.09 |

DETAILS OF FIXED ASSETS AS RESTATED

ANNEXURE XV
(₹ In Lakhs)

2021-22(standalone)

Property, Plant & Equipment

| Sr No. | Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|--------|---------------------------------|------------------|--------------|---------------------------|------------------|--------------------------|--------------|----------------------|------------------|------------------|------------------|
| | | As At 01-04-2021 | Addition | Deduction during the year | As At 31-03-2022 | As At 01-04-2021 | For the Year | Sold during the year | As At 31-03-2022 | As At 31-03-2022 | As At 31-03-2021 |
| | <u>Tangible Assets</u> | | | | | | | | | | |
| 1 | Building | 169.20 | - | - | 169.20 | 3.63 | 1.32 | - | 4.95 | 164.25 | 165.57 |
| 2 | Computer | 7.59 | 4.34 | - | 11.93 | 3.42 | 2.76 | - | 6.17 | 5.75 | 4.17 |
| 3 | Furniture & Fixtures | 9.63 | - | - | 9.63 | 2.45 | 0.91 | - | 3.37 | 6.26 | 7.18 |
| 4 | Motor Car | 7.09 | 27.00 | - | 34.09 | 0.64 | 2.09 | - | 2.73 | 31.36 | 6.45 |
| 5 | Office Equipment | 15.05 | 0.17 | - | 15.22 | 7.86 | 2.86 | - | 10.72 | 4.50 | 7.19 |
| | TOTAL | 208.56 | 31.51 | - | 240.06 | 17.99 | 9.95 | - | 27.94 | 212.12 | 190.56 |
| | <u>Intangible Assets</u> | | | | | | | | | | |
| 1 | License | 216.19 | - | - | 216.19 | 8.29 | 43.24 | - | 51.53 | 164.66 | 207.89 |
| | TOTAL | 216.19 | - | - | 216.19 | 8.29 | 43.24 | - | 51.53 | 164.66 | 207.89 |
| | GRAND TOTAL | 424.74 | 31.51 | - | 456.25 | 26.28 | 53.19 | - | 79.47 | 376.78 | 398.46 |

2022-23 (Consolidated)

Property, Plant & Equipment

| Sr No. | Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|--------|---------------------------------|------------------|--------------|---------------------------|------------------|--------------------------|--------------|----------------------|------------------|------------------|------------------|
| | | As At 01-04-2022 | Addition | Deduction during the year | As At 31-03-2023 | As At 01-04-2022 | For the Year | Sold during the year | As At 31-03-2023 | As At 31-03-2023 | As At 31-03-2022 |
| | <u>Tangible Assets</u> | | | | | | | | | | |
| 1 | Building | 169.20 | 4.26 | - | 173.46 | 4.95 | 1.32 | - | 6.27 | 167.19 | 164.25 |
| 2 | Computers | 11.93 | 12.84 | - | 24.77 | 6.17 | 5.11 | - | 11.29 | 13.48 | 5.75 |
| 3 | Furniture and Fixture | 9.63 | 1.32 | - | 10.95 | 3.37 | 1.00 | - | 4.36 | 6.58 | 6.26 |
| 4 | Motor vehicles | 34.09 | 28.21 | - | 62.29 | 2.73 | 5.55 | - | 8.27 | 54.02 | 31.36 |
| 5 | Office Equipment | 15.22 | 1.26 | 0.40 | 16.09 | 10.72 | 2.89 | 0.25 | 13.37 | 2.72 | 4.50 |
| | TOTAL | 240.06 | 47.89 | 0.40 | 287.55 | 27.94 | 15.87 | 0.25 | 43.56 | 243.99 | 212.12 |
| | <u>Intangible Assets</u> | | | | | | | | | | |
| | License | 216.19 | - | - | 216.19 | 51.53 | 43.24 | - | 94.77 | 121.42 | 164.66 |
| | TOTAL | 216.19 | - | - | 216.19 | 51.53 | 43.24 | - | 94.77 | 121.42 | 164.66 |
| | GRAND TOTAL | 456.25 | 47.89 | 0.40 | 503.74 | 79.47 | 59.11 | 0.25 | 138.33 | 365.41 | 376.78 |

2023-24(Consolidated)

Property, Plant & Equipment

| Sr No | Particulars | Gross Block | | | | Accumulated Depreciation | | | Net Block | | |
|-------|--------------------------|------------------|--------------|---------------------------|------------------|--------------------------|--------------|----------------------|------------------|------------------|------------------|
| | | As At 01-04-2023 | Addition | Deduction during the year | As At 31-03-2024 | As at 01-04-2023 | For the Year | Sold during the year | As At 31-03-2024 | As At 31-03-2024 | As At 31-03-2023 |
| | Tangible Assets | | | | | | | | | | |
| 1 | Building | 173.46 | - | - | 173.46 | 6.27 | 2.74 | - | 9.01 | 164.45 | 167.19 |
| 2 | Computer | 24.77 | 8.04 | - | 32.81 | 11.29 | 7.99 | - | 19.27 | 13.54 | 13.48 |
| 3 | Furniture & Fixtures | 10.95 | - | - | 10.95 | 4.36 | 1.04 | - | 5.40 | 5.54 | 6.58 |
| 4 | Motor Car | 62.29 | 49.80 | - | 112.10 | 8.27 | 13.10 | - | 21.37 | 90.72 | 54.02 |
| 5 | Office Equipment | 16.09 | 2.70 | - | 18.78 | 13.37 | 2.37 | - | 15.74 | 3.05 | 2.72 |
| | TOTAL | 287.55 | 60.54 | - | 348.10 | 43.56 | 27.24 | - | 70.80 | 277.30 | 243.99 |
| | Intangible Assets | | | | | | | | | | |
| 1. | License | 216.19 | - | - | 216.19 | 94.77 | 43.24 | - | 138.00 | 78.18 | 121.42 |
| | TOTAL | 216.19 | - | - | 216.19 | 94.77 | 43.24 | - | 138.00 | 78.18 | 121.42 |
| | GRAND TOTAL | 503.74 | 60.54 | - | 564.28 | 138.33 | 70.47 | - | 208.80 | 355.48 | 365.41 |

DETAILS OF OTHER NON-CURRENT ASSETS

ANNEXURE - XVI
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|-------------------|-----------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Fixed Deposits | 628.45 | 592.85 | 555.62 |
| Security Deposits | 77.67 | 76.12 | 77.57 |
| TOTAL | 706.12 | 668.97 | 633.18 |

DETAILS OF INVENTORIES AS RESTATED

ANNEXURE - XVII
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--------------------|-----------------|-----------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Inventories | | | |
| Stock in Trade | 1,180.43 | 1,739.89 | 252.68 |
| TOTAL | 1,180.43 | 1,739.89 | 252.68 |

DETAILS OF DEFERRED TAX ASSET/(LIABILITIES) AS RESTATED

ANNEXURE - IX
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|---------------------|-----------------|-------------|--------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Deferred Tax Assets | 9.68 | 1.21 | -4.78 |
| TOTAL | 9.68 | 1.21 | -4.78 |

DETAILS OF TRADE RECEIVABLES AS RESTATED

ANNEXURE - XVIII
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|-----------------|-----------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Outstanding for a period more than 6 months | | | |
| Unsecured, considered good | 1,046.02 | 171.87 | 251.50 |
| Outstanding for a period less than 6 months | | | |
| Others - unsecured, considered good | 2,891.49 | 2,878.33 | 1,746.31 |
| Less: Provision for bad and doubtful debts | - | - | - |
| TOTAL | 3,937.51 | 3,050.20 | 1,997.81 |
| For Trade Receivable Aging see annexure XVIII(A) | | | |

AGEING ANALYSIS OF TRADE RECEIVABLES AS RESTATED

ANNEXURE - XVIII(A)
(₹ In Lakhs)

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | Total |
|---------|-------------|--|-------|
|---------|-------------|--|-------|

| | | Less than 6 Month | 6 Month to 1 Year | 1 to 2 years | 2 to 3 years | More than 3 years | |
|---|---|-------------------|-------------------|--------------|--------------|-------------------|-----------------|
| | As at 31th March, 2024 | | | | | | |
| | Unsecured | | | | | | |
| 1 | Undisputed Trade Receivables- considered good | 2,891.49 | 1,010.59 | 20.51 | 14.92 | - | 3,937.51 |
| 2 | Undisputed Trade Receivables- considered doubtful | - | - | - | - | - | - |
| 3 | Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| 4 | Disputed Trade Receivables- considered doubtful | - | - | - | - | - | - |
| | | | | | | | 3,937.51 |
| | As at 31st March, 2023 | | | | | | |
| | Unsecured | | | | | | |
| 1 | Undisputed Trade Receivables- considered good | 2,878.33 | 88.38 | 70.06 | 13.43 | - | 3,050.20 |
| 2 | Undisputed Trade Receivables- considered doubtful | - | - | - | - | - | - |
| 3 | Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| 4 | Disputed Trade Receivables- considered doubtful | - | - | - | - | - | - |
| | | | | | | | 3,050.20 |
| | As at 31st March, 2022 | | | | | | |
| | Unsecured | | | | | | |
| 1 | Undisputed Trade Receivables- considered good | 1,746.31 | 134.43 | 21.71 | 88.09 | 7.26 | 1,997.81 |
| 2 | Undisputed Trade Receivables- considered doubtful | - | - | - | - | - | - |
| 3 | Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| 4 | Disputed Trade Receivables- considered doubtful | - | - | - | - | - | - |
| | | | | | | | 1,997.81 |

DETAILS OF CASH & BANK BALANCES AS RESTATED

ANNEXURE - XIX

(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--------------------------------|-----------------|--------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Cash in Hand | 23.88 | 7.77 | 3.19 |
| Bank Balance - Current Account | 61.30 | 22.06 | 294.43 |
| Total | 85.18 | 29.82 | 297.62 |

DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED

ANNEXURE - XX

(₹ In Lakhs)

| Particulars | As at March 31, | | |
|--------------------------------|-----------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Loans and Advance to Staff | 30.24 | 43.19 | 59.68 |
| Advances to Suppliers | 147.57 | 116.78 | 176.98 |
| Other Advances – Related Party | - | 1.55 | 0.85 |
| TOTAL | 177.81 | 161.52 | 237.51 |

DETAILS OF OTHER CURRENT ASSETS AS RESTATED

ANNEXURE - XXI

(₹ In Lakhs)

| Particulars | As at March 31, | | |
|-------------------------|-----------------|--------|------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Income Tax Receivable | 94.71 | - | - |
| GST | 23.32 | - | - |
| Retention | 512.85 | 734.72 | 645.83 |
| Tender Fee (Refundable) | - | - | 0.64 |
| EMD | 71.93 | 79.01 | 62.67 |
| Prepaid Expenses | 49.00 | 48.00 | - |
| Demand Draft | 66.18 | 88.27 | 39.12 |

| | | | |
|-----------------------------|---------------|---------------|---------------|
| Fire Claim Receivable ICICI | 5.58 | - | - |
| MSME Interest Receivable | 7.14 | - | - |
| TOTAL | 830.72 | 950.00 | 748.26 |

DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

ANNEXURE - XXII

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|--|------------------------------|-----------------|-----------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Sales | | | |
| IT Infrastructure Solutions, Network AMC & FMS | 10,750.09 | 6,323.72 | 5,905.56 |
| Total | 10,750.09 | 6,323.72 | 5,905.56 |

DETAILS OF OTHER INCOME AS RESTATED

ANNEXURE - XXIII

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|------------------------------|------------------------------|--------------|--------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Miscellaneous Income | 0.73 | 0.21 | 0.26 |
| Interest on FDR | 34.58 | 26.88 | 22.71 |
| Creditors written back | 25.62 | 45.80 | - |
| MSME Interest Income | 7.94 | - | - |
| Claim from Insurance Company | 5.58 | - | - |
| Total | 74.45 | 72.89 | 22.97 |

DETAILS OF COST OF SERVICE PROVIDED AS RESTATED

ANNEXURE - XXIV

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|------------------------------|------------------------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Direct Cost | | | |
| Annual Maintenance Charges | 322.83 | 100.05 | 158.30 |
| Commissioning & installation | 379.57 | 84.12 | 214.57 |
| Recurring charges | 29.90 | 11.66 | 33.04 |
| Service charge | 156.89 | 154.75 | 7.17 |
| Manpower Support | 1,874.38 | - | - |
| Repairing & Rental charges | - | - | 28.13 |
| Total | 2,763.57 | 350.57 | 441.22 |

DETAILS OF PURCHASE OF STOCK IN TRADE AS RESTATED

ANNEXURE - XXV

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|----------------------------|------------------------------|-----------------|-----------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Purchase of Stock in Trade | 3,978.93 | 4,741.15 | 2,880.31 |
| Total | 3,978.93 | 4,741.15 | 2,880.31 |

DETAILS OF CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS AS RESTATED

ANNEXURE – XXVI

(₹ In Lakhs)

| Particulars | For the year ended on March 31, | | |
|---|---------------------------------|------------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Opening Stock: Finished Goods | 1,739.89 | 252.68 | 256.09 |
| Intergroup Profit Elimination Impact on Inventory | 17.98 | - | - |
| Sub Total | 1,757.87 | 252.68 | 256.09 |
| Less: Closing Stock: WIP & Finished Goods | 1,180.43 | 1,757.87 | 252.68 |
| Intergroup Profit Elimination Impact on Inventory | - | -17.98 | - |
| Sub Total | 1,180.43 | 1,739.89 | 252.68 |
| Total | 577.44 | -1,487.21 | 3.41 |

DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED

ANNEXURE - XXVII

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|----------------------------------|------------------------------|-----------------|-----------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Salaries & Wages | 1,288.93 | 1,163.67 | 1,022.70 |
| Contribution to PF & Other Funds | 110.01 | 97.91 | 98.96 |
| Directors Remuneration | 207.02 | 224.09 | 208.69 |
| Staff Welfare Expenses | 6.54 | 8.21 | 3.21 |
| Gratuity Expense | 19.93 | 18.15 | 18.36 |
| Leave Encashment | 14.31 | 13.05 | 12.61 |
| Total | 1,646.74 | 1,525.08 | 1,364.53 |

DETAILS OF FINANCE COST AS RESTATED

ANNEXURE - XXVIII

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|-----------------------|------------------------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Interest Expenses | 292.27 | 135.41 | 116.19 |
| Other borrowing costs | 30.10 | 41.71 | 10.58 |
| Total | 322.37 | 177.11 | 126.77 |

DETAILS OF DEPRECIATION & AMORTIZATION

ANNEXURE - XV

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|--|------------------------------|--------------|--------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Depreciation & Amortization | | | |
| Depreciation & Amortization | 70.47 | 59.11 | 53.19 |
| Total | 70.47 | 59.11 | 53.19 |

DETAILS OF OTHER EXPENSES AS RESTATED

ANNEXURE - XXIX

(₹ In Lakhs)

| Particulars | For the year ended March 31, | | |
|---|------------------------------|--------|------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Power & Fuel | 1.27 | 1.03 | 0.57 |
| Freight Inward | 39.96 | 24.37 | 17.88 |
| Payment to Auditor: | | | |
| Statutory Audit Fee | 0.90 | 0.90 | 0.75 |
| Tax Audit Fees | 0.25 | 0.25 | 0.25 |
| Business promotional Expenses | 8.48 | 27.23 | 10.82 |
| Bank Charges | 7.06 | 10.12 | 17.78 |
| Other Expenses | 0.06 | 0.20 | 3.24 |
| Preliminary Expenses W/off | - | - | 0.52 |
| Commission Expenses | 33.26 | 18.60 | 33.53 |
| Conveyance Expenses | 50.68 | 73.15 | 42.95 |
| Deducted by Party | 14.03 | 14.64 | 73.80 |
| Electricity Expenses | 7.20 | 8.98 | 7.19 |
| Site Expenses | 182.25 | 81.66 | 58.67 |
| Fees & Taxes | 13.06 | 16.05 | 16.86 |
| Insurance | 38.78 | 46.36 | 28.72 |
| Labour Charges | - | - | 0.11 |
| License | 48.00 | - | - |
| Legal Expenses | 1.45 | 2.81 | 2.11 |
| Office Expenses | 31.05 | 24.43 | 8.26 |
| Office Rent | 59.12 | 45.54 | 43.93 |
| Printing and Stationery | 3.69 | 3.94 | 4.38 |
| Professional Fees & Consultancy charges | 57.37 | 103.00 | 75.35 |
| Postage & Courier | 0.06 | 0.20 | 4.35 |
| Staff Welfare | - | - | - |
| Security Guard Expenses | 4.31 | 3.95 | 4.15 |
| Repair & Maintenance | 1.01 | 12.01 | 3.17 |
| Telephone & Mobile Expenses | 5.66 | 4.59 | 3.35 |
| Tender Fees | 2.42 | 2.69 | 17.89 |

| | | | |
|---------------------------------|---------------|---------------|---------------|
| Loss Due to Fire | 2.80 | - | - |
| Discount | - | 0.09 | 0.93 |
| Tour & Travels | 122.54 | 91.16 | 57.51 |
| Bad Debts | - | 3.96 | 39.17 |
| Meeting & Conferencing Expenses | 11.76 | 11.91 | 15.70 |
| Total | 748.47 | 633.73 | 592.34 |

DETAILS OF CONTINGENT LIABILITIES AS RESTATED

ANNEXURE XXX
(₹ In Lakhs)

| Particulars | As at March 31, | | |
|---|-----------------|---------------|---------------|
| | Consolidated | | Standalone |
| | 2024 | 2023 | 2022 |
| Guarantees given to suppliers / principals by the bankers (INR) | 1,065.98 | 867.04 | 383.04 |
| Income Tax | 29.35 | 29.35 | 29.35 |
| TDS | 0.90 | - | - |
| Total | 1,096.23 | 896.39 | 412.39 |

RELATED PARTY TRANSACTIONS

ANNEXURE XXXI

(iii) Names of the related party and nature of relationship where control/significant influence exists

Key management personnel (KMP) and their close members of family

| Name of the related party | Nature of relationship |
|---|---------------------------|
| Key Management Personnel & Directors | |
| Manish Sharma Kumar | Managing Director |
| Neeraj Kumar | Whole-time Director & CEO |
| Nikhil Laxman Buran | Executive Director |
| Paresh Goyal | Executive Director |
| Ashwani Jaiswal | Non Executive Director |
| Swati Singh | Non Executive Director |
| Sarita Paswan | Non Executive Director |
| Vivek Singh | CFO |
| Pooja Sharma | Company Secretary |
| Relatives of KMP | |
| Nidhi Sharma | Relative of KMP |
| Sarita Kumari | Relative of KMP |
| Minakshi Goyal | Relative of KMP |
| Priya Nikhil Buran | Relative of KMP |
| Neha Singh | Relative of KMP |

(iv) Entity controlled or jointly controlled by a person identified in (i) above

M/s Takyon Networks
M/s Finopolis Consultants LLP

(iii) Details of transactions with related parties and balances

(Rs. In Lakhs)

| Name | Relationship | Nature of transaction | 31 March 2024 | | 31 March 2023 | | 31 March 2022 | |
|---------------------|------------------------------|-----------------------|---------------------------------------|---|---------------------------------------|---|---------------------------------------|---|
| | | | Amount of transaction during the year | Balance as at 31 March 2024 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2023 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2022 Receivables/ (Payables) |
| Manish Sharma Kumar | Chairman & Managing Director | Salary | 68.40 | - | 67.29 | - | 67.22 | -4.00 |
| | | Incentive | - | - | 18.71 | -3.58 | 7.10 | |
| | | Rent | 12.91 | - | 12.91 | - | 12.91 | |
| | | Salary | - | - | - | - | - | |
| | | Loan Taken | - | - | - | - | 54.88 | |
| | | Loan Repaid | - | - | - | - | 54.88 | |
| Neeraj Kumar | Whole-time Director & CEO | Salary | 74.93 | -3.27 | 69.16 | -1.99 | 68.77 | -4.00 |
| | | Incentive | - | - | - | - | 22.60 | |

| | | | | | | | | |
|-------------------------------|--|-------------------------|-------|--------|-------|--------|-------|--------|
| | | Rent | 12.91 | | 12.91 | | 12.91 | |
| | | Loan Taken | - | - | - | - | 40.94 | - |
| | | Loan Repaid | - | - | - | - | 40.94 | - |
| Nikhil Laxman Buran | Executive Director | Salary | 48.79 | - | 33.86 | -7.36 | 23.40 | -1.56 |
| | | Incentive | - | - | 21.26 | | 15.00 | |
| Paresh Goyal | Executive Director | Professional Fee | 14.90 | -0.99 | 13.80 | -1.04 | 4.60 | -1.04 |
| | | Loan Taken | 20.00 | -36.00 | - | -16.00 | 6.00 | -16.00 |
| | | Loan Repaid | - | | - | | - | |
| Nidhi Sharma | Relative of KMP | Salary | 8.00 | 18.82 | 10.50 | -1.00 | 6.00 | -0.50 |
| | | Loan Given | 0.00 | | 2.53 | | 2.10 | |
| | | Loan Repayment Received | 6.00 | | 4.50 | | 4.00 | |
| Vivek Singh* | CFO | Professional fees | 6.30 | -0.90 | 8.10 | -0.02 | 12.40 | -0.69 |
| Sarita Kumari | Relative of KMP | Salary | 8.00 | 11.09 | 10.50 | -0.50 | 6.00 | -0.50 |
| | | Loan Given | - | | 3.50 | | | |
| | | Loan Repayment Received | 5.50 | | 4.50 | | 7.50 | |
| Minakshi Goyal | Relative of KMP | Salary | 6.72 | - | 6.72 | -0.56 | 2.24 | -0.56 |
| Priya Nikhil Buran | Relative of KMP | Site Expenses | - | - | - | - | 2.00 | - |
| Neha Singh | Relative of KMP | Salary | 9.00 | -0.75 | 7.35 | -0.65 | 2.00 | -0.50 |
| M/s. Takyon Networks | Entity controlled or jointly controlled by KMP | Loan Given | 8.71 | - | 1.55 | 1.55 | 7.52 | 0.85 |
| | | Loan repayment received | 10.25 | | 0.85 | | 9.07 | |
| M/s Finopolis Consultants LLP | Entity controlled or jointly controlled by KMP | Manpower Charges | 16.35 | - | 16.50 | -1.78 | 2.50 | - |

*Vivek Singh was appointed as Chief Financial officer of the company with effect from the August 13, 2024 vide Board resolution dated August 13, 2024

STATEMENT OF TAX SHELTERS

**ANNEXURE -XXXI
(₹ In Lakhs)**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|---------------------------|---------------------------|---------------------------|
| | Consolidated | | Standalone |
| Restated Profit before tax (A) | 716.54 | 397.06 | 466.76 |
| Tax Rate (%) | | | |
| Income Tax Rate (%) on Parent Company | 27.82% | 27.82% | 27.82% |
| Income Tax Rate (%) on Subsidiary Company | 25.17% | 25.17% | - |
| MAT Rate | 17.16% | 17.16% | 17.16% |
| Adjustments: | | | |
| Section 37 | - | - | 11.52 |
| Depreciation as per Companies Act, 2013 | 37.07 | 30.43 | 24.51 |
| Gratuity & Leave Encashment Section 40A | 34.24 | 31.20 | 30.97 |
| Total Permanent Differences(B) | 71.31 | 61.63 | 67.00 |
| Timing Differences (C) | | | |
| Amount Disallowed during PY and allowed during CY | - | - | - |
| Depreciation as per Income Tax act | 29.58 | 20.59 | 14.98 |
| Total Timing Differences (C) | 29.58 | 20.59 | 14.98 |
| Income considers in House property Head (D) | - | - | - |
| Income considers in Other Income (E) | 34.58 | 26.88 | 11.52 |
| Net Adjustments F = (B+C+D+E) | 100.89 | -41.04 | -52.02 |
| | - | - | - |
| Income chargeable under the head House Property | - | - | - |
| Tax Paid | | | |
| Annual Value | | | |
| Deduction Under Section 24 @ 30% | - | - | - |
| Taxable under house property | - | - | - |

| Income chargeable under the head Other Sources | | | |
|---|---------------|---------------|---------------|
| Interest Income | 34.58 | 26.88 | 11.52 |
| | 34.58 | 26.88 | 11.52 |
| Gross Total Income | 758.28 | 438.10 | 518.78 |
| Less: Deduction u/s 80 G | - | - | - |
| Less: Deduction u/s 80JJAA | | | |
| Taxable Income/(Loss) (A+D) | 758.28 | 438.10 | 518.78 |
| Brought Forward Losses | 0.15 | - | - |
| | 758.13 | 438.10 | 518.78 |
| Restated Profit for The Purpose of MAT | 716.54 | 397.06 | 466.76 |
| Less: Adjustment related to Depreciation | - | - | - |
| Less: Brought Forward Loss | - | - | - |
| Add: Amounts Written Back | - | - | - |
| Taxable Income/(Loss) as per MAT | 716.39 | 397.06 | 466.76 |
| Income Tax as returned/computed | 202.70 | 121.88 | 144.32 |
| Tax paid as per normal or MAT | Income Tax | Income Tax | Income Tax |

Capitalization Statement as at 31st March, 2024

**ANNEXURE -XXXII
(₹ In Lakhs)**

| Particulars | Pre-Issue | Post Issue |
|---|-----------------|------------|
| Borrowings | | |
| Short term debt (A) | 1,561.11 | * |
| Long Term Debt (B) | 275.45 | * |
| Total debts (C) | 1,836.56 | * |
| Shareholders' funds | | |
| Equity share capital | 351.00 | * |
| Reserve and surplus - as restated | 2,475.55 | * |
| Total shareholders' funds | 2,826.55 | * |
| Long term debt / shareholders' funds | 0.10 | * |
| Total debt / shareholders' funds | 0.65 | * |

* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Short term Debts represent which are expected to be paid/payable within 12 months.

Long term Debts represent debts other than short term Debts as defined above.

RESTATED STATEMENT OF ACCOUNTING RATIOS

**ANNEXURE -XXXIII
(₹ In Lakhs)**

A. Mandatory Ratios

| Particulars | Year ended 31.03.2024 | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---|--------------------------|--------------------------|--------------------------|
| | Consolidated | | Standalone |
| EBITDA | 1,004.83 | 518.69 | 613.17 |
| Net Profit/(Loss) as Restated | 522.31 | 281.17 | 329.63 |
| Net Worth | 2,826.55 | 2,286.44 | 2,005.27 |
| Return on Net worth (%) | 18.48% | 12.30% | 16.44% |
| Equity Share at the end of year (in Nos.) (Face Value Rs. 10) | 3,510,000 | 3,510,000 | 3,510,000 |
| Bonus Shares Issued | 7,020,000.00 | 7,020,000.00 | 7,020,000.00 |
| Weighted No. of Equity Shares (Considering bonus issue of share allocated on May 3, 2024) | 10,530,000 | 10,530,000 | 10,530,000 |
| Basic and Diluted Earnings per Equity Share (Considering bonus issue of share allocated on January 1, 2024) | 4.96 | 2.67 | 3.13 |
| Net Asset Value/Book Value per Equity share (Based on no of share at the end of year) | 80.53 | 65.14 | 57.13 |
| Net Asset Value/Book Value per Equity share (Based on the Weighted Average number of Shares) | 26.84 | 21.71 | 19.04 |

Bonus issue of 70,20,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 2:1 i.e. Two (2) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on May 3, 2024"

Note:

1) The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 31st March, 2024.

(a) Basic earnings per share (Rs.) :- Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.

(b) Diluted earnings per share (Rs.) :- Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS.

(c) Return on net worth (%) :- Net profit after tax (as restated) / Net worth at the end of the period or year.

(d) Net assets value per share :- Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

B. Additional information to the financial statements: -

(i) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of:

| Particulars | Year ended 31.03.2024 | Year ended 31.03.2023 | Year ended 31.03.2022 |
|--------------|-----------------------|-----------------------|-----------------------|
| | Consolidated | | Standalone |
| Import Value | - | - | - |
| Total | - | - | - |

(ii) Value of Exports by the Company during the financial Year in respect of:

| Particulars | Year ended 31.03.2024 | Year ended 31.03.2023 | Year ended 31.03.2022 |
|--------------|-----------------------|-----------------------|-----------------------|
| | Consolidated | | Standalone |
| Export Value | - | - | - |
| Total | - | - | - |

C. RESTATED STATEMENT OF OTHER ACCOUNTING RATIOS

| Sr. No. | Ratios | Formula Heads | Year ended 31.03.2024 | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---------|--|--|-----------------------|-----------------------|-----------------------|
| | | | Consolidated | | Standalone |
| 1 | Current Ratio (in times) (Current Assets/ Current Liabilities) | Current Assets | 6,342.34 | 6,088.29 | 3,698.54 |
| | | Current Liabilities | 4,112.13 | 4,111.64 | 2,233.92 |
| | | Current Assets/ Current Liabilities | 1.54 | 1.48 | 1.66 |
| 2 | Debt Equity Ratio (in times) (Total Debt/ Total Equity) | Total Debt | 1,836.56 | 1,863.76 | 531.61 |
| | | Equity | 2,826.55 | 2,286.44 | 2,005.27 |
| | | Total Debt/ Total Equity | 0.65 | 0.82 | 0.27 |
| 3 | Debt Service Coverage Ratio (in times) (EBITDA/ Interest Expense + Current payment of Principal amount) | EBITDA | 1,004.83 | 518.69 | 613.17 |
| | | Interest | 292.27 | 135.41 | 116.19 |
| | | Principal Payment | 409.17 | 124.68 | 86.12 |
| | | EBITDA/ (Interest Expense + Current payment of Principal amount) | 1.43 | 1.99 | 3.03 |
| 4 | Return on Equity Ratio (in %) (Profit after tax/ Average Equity) | Profit after tax | 522.31 | 281.17 | 329.63 |
| | | Average Equity | 2,556.49 | 2,145.86 | 1,859.24 |
| | | Profit after tax/ Average Equity | 20.43% | 13.10% | 17.73% |
| 5 | Inventory Turnover Ratio (in times) (Cost of Goods Sold / Average Inventory) | Cost of Goods Sold | 7,319.95 | 3,604.51 | 3,324.94 |
| | | Average Inventory | 1,460.16 | 996.28 | 254.38 |
| | | Cost of Goods Sold / Average Inventory | 5.01 | 3.62 | 13.07 |
| 6 | Trade Receivables Turnover Ratio (in times) (Average Trade Receivables/ Sales) | Revenue from operations | 10,750.09 | 6,323.72 | 5,905.56 |
| | | Average Debtors | 3,493.85 | 2,524.00 | 1,837.10 |
| | | Average Trade Receivables/ Sales | 3.08 | 2.51 | 3.21 |
| 7 | Trade Payables Turnover Ratio (in times) (Average Trade Payables/ Net Credit Purchases) | Net Purchases | 6,742.51 | 5,091.72 | 3,321.52 |
| | | Average Creditors | 2,212.04 | 1,710.90 | 967.79 |
| | | Average Trade Payables/ Net Credit Purchases | 3.05 | 2.98 | 3.43 |

| | | | | | |
|----|---|--|-----------|----------|----------|
| 8 | Net Capital Turnover Ratio (in times) (Revenue from Operations/Average Working Capital) | Revenue from operations | 10,750.09 | 6,323.72 | 5,905.56 |
| | | Average working capital i.e. Total current assets less Total current liabilities | 2018.19 | 1,584.69 | 1,359.71 |
| | | Revenue from Operations/Average Working Capital | 5.33 | 3.99 | 4.34 |
| 9 | Net Profit Ratio (in %) (Profit for the year/Revenue from operations) | Profit for the year | 522.31 | 281.17 | 329.63 |
| | | Revenue from operations | 10,750.09 | 6,323.72 | 5,905.56 |
| | | Profit for the year/Revenue from operations | 4.86% | 4.45% | 5.58% |
| 10 | Return on Capital Employed (in %) (Profit before tax and finance costs/ Equity and borrowings) | Earning Before Interest & Tax (EBIT) | 934.36 | 459.58 | 559.98 |
| | | Capital Employed = Total Equity plus total borrowing plus deferred tax liabilities minus deferred tax assets | 4,653.42 | 4,148.99 | 2,541.66 |
| | | Profit before tax and finance costs/ Equity and borrowings | 20.08% | 11.08% | 22.03% |

D. REASON FOR CHANGE IN THE RATIO

| Sr. No | Ratios | Formula Heads | Year ended 31.03.2023 | Year ended 31.03.2022 | Change in Ratio | Reason for Change in the Ratio |
|--------|---|--|-----------------------|-----------------------|-----------------|--|
| 1 | Current Ratio (in times) | Current Assets/ Current Liabilities | 1.46 | 1.59 | -7.99% | - |
| 2 | Debt Equity Ratio (in times) | Total Debt/ Total Equity | 0.82 | 0.27 | 207.48% | Change in ratio due to Increase in Borrowings. |
| 3 | Debt Service Coverage Ratio (in times) | EBITDA/ (Interest Expense + Current payment of Principal amount) | 1.99 | 3.03 | -34.20% | Change in ratio due to decrease in EBITDA. |
| 4 | Return on Equity Ratio (in %) | Profit after tax/ Average Equity | 13.10% | 17.73% | -26.09% | Change in ratio due to decrease in Profit. |
| 5 | Inventory Turnover Ratio (in times) | Cost of Goods Sold / Average Inventory | 3.62 | 13.07 | -72.32% | Change in ratio due to increase in cost of goods sold and average inventory. |
| 6 | Trade Receivables Turnover Ratio (in times) | Average Trade Receivables/ Sales | 2.51 | 3.21 | -22.06% | - |
| 7 | Trade Payables Turnover Ratio (in times) | Average Trade Payables/ Net Credit Purchases | 2.98 | 3.43 | -13.29% | - |
| 8 | Net Capital Turnover Ratio (in times) | Revenue from Operations/Average Working Capital | 3.99 | 4.34 | -8.12% | |
| 9 | Net Profit Ratio (in %) | Profit for the year/Revenue from operations | 4.45% | 5.58% | -20.34% | - |
| 10 | Return on Capital Employed (in %) | Profit before tax and finance costs/ Equity and borrowings | 11.08% | 22.03% | -49.72% | Change in ratio due to decrease in Profit. |
| Sr. No | Ratios | Formula Heads | Year ended 31.03.2024 | Year ended 31.03.2023 | Change in Ratio | Reason for Change in the Ratio |
| 1 | Current Ratio (in times) | Current Assets/ Current Liabilities | 1.54 | 1.46 | 5.41% | - |

| | | | | | | |
|----|---|--|--------|--------|---------|--|
| 2 | Debt Equity Ratio (in times) | Total Debt/ Total Equity | 0.65 | 0.82 | -20.29% | - |
| 3 | Debt Service Coverage Ratio (in times) | EBITDA/ (Interest Expense + Current payment of Principal amount) | 1.43 | 1.99 | -28.17% | Change in ratio due to increase in interest cost and principal amount. |
| 4 | Return on Equity Ratio (in %) | Profit after tax/ Average Equity | 20.43% | 13.10% | 55.92% | Change in ratio due to increase in Profit. |
| 5 | Inventory Turnover Ratio (in times) | Cost of Goods Sold / Average Inventory | 5.01 | 3.62 | 38.56% | Change in ratio due to increase in cost of goods sold. |
| 6 | Trade Receivables Turnover Ratio (in times) | Average Trade Receivables/ Sales | 3.08 | 2.51 | 22.81% | - |
| 7 | Trade Payables Turnover Ratio (in times) | Average Trade Payables/ Net Credit Purchases | 3.05 | 2.98 | 2.42% | - |
| 8 | Net Capital Turnover Ratio (in times) | Revenue from Operations/Average Working Capital | 5.33 | 3.99 | 33.48% | Change in ratio due to increase in Revenue. |
| 9 | Net Profit Ratio (in %) | Profit for the year/Revenue from operations | 4.86% | 4.45% | 9.27% | - |
| 10 | Return on Capital Employed (in %) | Profit before tax and finance costs/ Equity and borrowings | 20.08% | 11.08% | 81.27% | Change in ratio due to increase in Profit. |

ANNEXURE XXXV

Additional Regulatory Information as required by Para Y of Part - I to Schedule III to the Companies Act, 2013:

(i) The title deeds of the Office Building are not held in the name of the Company the detail is as follows:

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company** |
|---|---------------------------------|----------------------|---|--------------------------------|--|
| PPE | Building | 83.59 | Yes, Property Held by Promoter | 7/2/2018 | - |

(ii) The company has not revalued its Property, Plant and Equipment. Accordingly, disclosures as required under this para is not applicable.

(iii) The company has granted loans or advances to the related party (M/s Takyon Networks) which are repayable on demand and without specifying any terms or period of repayment the detail as follows:

| Name | 31st March, 2024 | | 31st March, 2023 | | 31st March, 2022 | |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Loan Given | Loan Outstanding | Loan Given | Loan Outstanding | Loan Given | Loan Outstanding |
| M/s Takyon Networks | 8.71 | - | 1.55 | 1.55 | 7.52 | 0.85 |

(iv) The Company does not have any capital Work in Progress. Accordingly, disclosures as required under this para are not applicable.

(v) The company does not have any intangible assets Under-Development. Accordingly, disclosures as required under this para are not applicable.

(vi) There has been no proceeding initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Accordingly, disclosures under this para is not applicable.

(vii) The Company has borrowings from Banks or Financial Institutions on the basis of security of current assets. No material discrepancies have been noticed in the Quarterly statements filed for Current Assets (Stock statements, book debt statements,

statements on ageing analysis of the debtors/other receivables) held by the company in comparison with the stock and book debts as per books of accounts.

(viii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, disclosures under this para is not applicable.

(ix) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. Accordingly, disclosures under this para is not applicable.

(x) There are no charges or satisfaction pending for registration with the Registrar of Companies beyond the statutory period. Accordingly, disclosures under this para is not required.

(xi) The company has one subsidiary and accordingly company has complied with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

(xii) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, disclosures under this para is not applicable.

(xiii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Additional Regulatory Information as required by Para 5 (ix) to (xi) of Part - II to Schedule III to the Companies Act, 2013:

(i) There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income in the books of account during the year in the tax assessment under the Income Tax Act, 1961.

(ii) The company is not required to spent CSR expenditure under section 135 of the Companies Act. Accordingly disclosures as required under this para is not applicable.

(iii) The Company has not traded or invested in Crypto Currency or Virtual Currency and therefore, the disclosures as sought is not applicable.

Additional information:

| Name of the entity in the | 2023-24 | | | | 2022-23 | | | |
|---------------------------|--|--------|-------------------------------------|--------|--|--------|-------------------------------------|--------|
| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
| | As % of consolidated net assets | Amount | As % of consolidates profit or loss | Amount | As % of consolidated net assets | Amount | As % of consolidates profit or loss | Amount |
| TNPL Services | 7.34% | 206.67 | 38.63% | 201.78 | -0.57% | -13.09 | -4.65% | -13.09 |

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and their respective Audit reports thereon (Audited Financial Statements) are available at www.takyon.co.in

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) Red Herring Prospectus (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|--|-------------------|-------------------|-------------------|
| | Consolidated | | Standalone |
| Profit After Tax (INR in Lakhs) | 522.31 | 281.17 | 329.63 |
| Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares) | 4.96 | 2.67 | 3.13 |
| Return on Net Worth (%) | 18.48% | 12.30% | 16.44% |
| NAV per Equity Shares (Based on Weighted Average Number of Shares) | 26.84 | 21.71 | 19.04 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) (INR in Lakhs) | 1,004.83 | 518.69 | 613.17 |

STATEMENT OF FINANCIAL INDEBTEDNESS

To,
The Board of Directors
TAKYON NETWORKS LIMITED
CP 37, Viraj Khand Gomti Nagar,
Lucknow, Uttar Pradesh, India, 226010

And

Hem Securities Limited
203, Jaipur Tower, M.I. Road,
Jaipur Rajasthan- 302001 India

(Hem Securities Limited referred to as the “**Book Running Lead Manager**” or the “**BRLM**”)

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of TAKYON NETWORKS LIMITED. (the “Company”).

Dear Sir(s),

We, **M/s A D V & Associates**, Chartered Accountants, the Statutory Auditor have received a request from the Company to issue a certificate on the Financial Indebtedness of the Company based on restated financial information prepared by the management of the Company.

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of TAKYON NETWORKS LIMITED and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31st July, 2024 are mentioned below.

Annexure

Statement of Financial Indebtedness as on July 31, 2024

1.Secured Loan:-

(Rs in Lakhs)

| Name of Lender | Purpose | Loan/ Agreement A/c No./Ref. No. | Sanctio ned Amoun t | Rate of interest | Primary & Collateral Security | Re- Paymen t Schedul e | Morat orium | Outstand ing amount as on 31.07.202 4 as per books |
|----------------------|---------------------|---|------------------------------|--|--|------------------------------------|----------------|--|
| Bank OD/CC | | | | | | | | |
| HDFC BANK LIMITED | CC/O D | 502000513308 20 | 500 | 10.98 ROI 10.98 linked with 3 month t bill 6.91 | Note 1 | On Demand | NA | 659.13 |
| Total | | 659.13 | | | | | | |
| Secured Loan | | | | | | | | |
| CAR LOAN | Car Purcha se | A/C 140798309 | 20.79 | 9% | Car | Monthly | NA | 16.43 |
| HDFC MSME LOAN | Term Loan | A/C 9048460 | 49.58 | 9.25% | Note 1 | Monthly | NA | 6.67 |
| ICICI BANK | Car Purcha se | A/C- LALUC00047 777853 | 27.00 | 9.50% | Car | Monthly | NA | 21.91 |
| ICICI Bank | Car Purcha se | A/C NO- 03930770 | 24.00 | 9.45% | Car | Monthly | NA | 17.28 |

| | | | | | | | | |
|---|--------------|---------------------|-------|--------|--------|---------|----|---------------|
| ICICI Bank | Car Purchase | A/C NO. 45118485 | 21.29 | 8.25% | Car | Monthly | NA | 11.74 |
| PNB Housing Finance Ltd.(Property Loan) | Business | NHL/NOI/0118/484840 | 67.25 | 10.75% | Note 2 | Monthly | NA | 58.58 |
| Total | | | | | | | | 132.61 |

2. Unsecured Loan:-

(Rs in Lakhs)

| Sr. No. | Name of Lender | Rate of Interest | Sanctioned Amount | Outstanding amount as on 31.07.2024 |
|--------------|--|------------------|-------------------|-------------------------------------|
| 1 | Aditya Birla BL | 18.00% | 50.00 | 24.66 |
| 2 | Bajaj Finance Ltd. | 19.00% | 20.54 | 10.57 |
| 3 | Fullerton India Ltd. | 16.50% | 50.00 | 20.59 |
| 4 | HDFC GECL | 9.25% | 66.38 | 58.37 |
| 5 | HDFC LOAN | 13.50% | 65.00 | 37.54 |
| 6 | IDFC Bank Ltd. | 16.50% | 40.8 | 22.89 |
| 7 | Axis Bank Ltd. | 16.00% | 50.00 | 16.36 |
| 8 | Hero Fin Corp Ltd. | 19.00% | 40.42 | 16.96 |
| 9 | ICICI Bank Ltd. | 15.00% | 30.00 | 9.71 |
| 10 | Mahindra & Mahindra | 19.00% | 25.17 | 15.10 |
| 11 | NeoGrowth Credit Pvt.Ltd.New | 18.06% | 75.00 | 36.94 |
| 12 | IndusInd Bank | 17.50% | 40.00 | 7.54 |
| 13 | TATA CAPITAL BL | 13.00% | 40.00 | 8.55 |
| 14 | Siemens | 0% | 84.75 | 90.51 |
| 15 | Profectus Capital Pvt Ltd. | 13.00% | 200.00 | 182.34 |
| 16 | TATA CAPITAL FINANCIAL SERVICES LTD.(CF) RIL | 11.50% | 175.00 | 145.61 |
| 17 | TATA CAPITAL FINANCIAL SERVICES LTD.(CF) Savex | 11.50% | 25.00 | 22.92 |
| 18 | Tvs Credit services Ltd. (Vender) | 12.00% | 300.00 | 299.61 |
| TOTAL | | | | 1026.77 |

3. Loans from Directors:-

(Rs in Lakhs)

| Sr no. | Name of Lender | Purpose | Rate of Interest | Repayment Schedule | Outstanding amount as on 31.07.2024 |
|--------------|----------------|---------------|------------------|--------------------|-------------------------------------|
| 1 | Paresh Goyal | Business loan | 0% | Payable on Demand | 36.00 |
| 2 | Manish Kumar | Business loan | 0% | Payable on Demand | 4.00 |
| Total | | | | | 40.00 |

Note 1:

Primary Security

Book Debts Up To 180 Days, Cash Margin @ 25% For BG, Lc Issued From Other Bank, Personal Guarantee of All The Directors And Property Owners, Stock Up To 180 Days

Collateral

- EM of Commercial property situated at CP-37, Viraj Khand-4, Gomtinagar, Lucknow-226010 owned jointly by Manish Kumar Sharma & Neeraj Kumar
- EM of residential property situated at C-1/203, Sector-1, Gomtinagar Extension, Lucknow-226010 owned jointly by Neeraj Kumar and Sarita Kumari
- EM of residential flat situated at Tower-A, Flat No. 601, Belvedere Court, Shalimar One World, Sector-6, Gomtinagar Extension jointly owned by Manish Kumar Sharma and Nidhi Sharma
- EM of residential plot situated at Plot No. C-4/951, Gomtinagar Extension, Sector-4, Lucknow-226010 owned jointly by Manish Kumar Sharma & Nidhi Sharma
- EM of residential plot situated at C-3/177, Viraj Khand-3, Gomtinagar, Lucknow owned by Manish Kumar Sharma
- Residential property at Arazi No-791 Pargana-haweli Tehsil-sadar, Mauzabasharatpur, tappa-kasba Gorakhpur Gorakhpur Uttar Pradesh 273001 owned by Shyam Sunder Sharma

Note 2:

Primary Security:

Office space at 2,5, Tower-A, The I-THUM, A-40, Sector-62, Noida, Uttar Pradesh, India-201301 owned by Takyon Networks Limited

Yours faithfully

M/s A D V & Associates
Chartered Accountants
Firm Registration No: 128045W

SD/-

Vijay Jaju
Partner
M. No. 613332
UDIN: 24613332BKPNHV6058
Date: September 13, 2024
Place: Mumbai

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITIONS AND RESULTS OF OPERATION**

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the Fiscals ended March 31, 2024, 2023 and 2022. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Information and the sections entitled “**Summary of Financial Information**” and “**Restated Financial Information**” on pages 39 and 123 respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled “**Risk Factors**” on page 23. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled “**Forward-Looking Statements**” on page 17. Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Restated Financial Information. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the Dun & Bradstreet Report (which is a paid report and was commissioned by us solely in connection with the Offer). Our Fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular Fiscal year are to the 12-month period ended March 31 of that year.

OVERVIEW

We are in the business of providing comprehensive networking and IT infrastructure solutions, serving a diverse range of clients, including government agencies and corporate enterprises. Our services include IT networking solutions, data center solutions, IT security and surveillance, cloud and managed services. We also offer maintenance and support services to our clients through formal contracts, providing expert technical support.

Our range of customized offerings and our ability to specifically tailor solutions to the specific needs of customers have enabled us to garner prominent customers across different industries. Our clients include major players in sectors like Telecom, IT & ITes, Energy, Public administration enterprise, Education, Railways, and Defense. We undertake various activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data center infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi-location infrastructure of domestic clients. Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery.

Our Company is authorized System/Network Integrator (SI) in National level – Category in UP Circle for establishment of customers Private Network Equipment on Turnkey basis and maintenance of customers and equipment, LAN/WAN etc. for DATA services for Internet Service Provider (ISP) i.e. Bharat Sanchar Nigam Limited. We are also empaneled with UPDESCO, UPLC, ITI, and UPRNN for providing IT solutions & services. We are authorized partner to multiple OEM’s including Ruckus (Ruckus Ready Partner Program), Juniper, Sophos, Hitachi, Nokia, HP and Dell Technologies.

Our business operations are, currently, concentrated in India, and our revenues are predominately generated from India. We operate out of our headquarters and corporate office situated in Lucknow - Uttar Pradesh. Our infrastructure includes adequate office space, high grade desktops for development, support and testing, firewall, IPS and IDS Systems for safeguarding data and systems, redundant internet leased lines, uninterrupted power supply. Additionally, we also have a branch located in New Delhi.

We believe that maintaining a high standard of quality in our product and process quality is critical to our growth and success. To this effect, we have implemented quality systems to ensure the quality of our products and solutions offerings. We have received ISO 27001:2012 (Information Security Management System), ISO 20000-1:2018 (Information Technology Services Management), ISO 9001:2015 (Quality Management System) certifications. We have also been awarded CMMI Maturity Level 3 Certificate. We have been awarded as Partner of the year – Government, 2022 from Palo Alto Networks, Cybersecurity partner of choice.

We are led by experienced and technically qualified Promoters. Mr. Manish Kumar Sharma, our Chairman & Managing Director, has over 22 years of experience, while Mr. Neeraj Kumar, our Chief Executive Officer & Whole Time Director, has more than 25 years of experience in the IT infrastructure industry. Each of them brings a unique set of operational strengths to the Company. For more details, see ‘**Our Management – Brief Profile of our Directors**’ on page 107. In addition to our Promoters, who also serve as our executive directors, our strong and robust Board of Directors comprises individuals who contribute their respective experience and expertise to our operations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|---------------------------|--------------|------------|------------|
| | Consolidated | | Standalone |

Takyon Networks Limited

| | | | |
|--|-----------|----------|----------|
| Revenue from operations ⁽¹⁾ | 10,750.09 | 6,323.72 | 5,905.56 |
| EBITDA ⁽²⁾ | 1,004.83 | 518.69 | 613.17 |
| EBITDA Margin ⁽³⁾ | 9.35% | 8.20% | 10.38% |
| PAT ⁽⁴⁾ | 522.31 | 281.17 | 329.63 |
| PAT Margin ⁽⁵⁾ | 4.86% | 4.45% | 5.58% |
| RoE(%) ⁽⁶⁾ | 20.43% | 13.10% | 17.73% |
| RoCE (%) ⁽⁷⁾ | 20.08% | 11.08% | 22.03% |

Notes:

⁽¹⁾ Revenue from operation means revenue from sales, service and other operating revenues

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽³⁾ EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is taken as Profit for the year of the Company

⁽⁵⁾ PAT Margin is calculated as Profit for the year divided by revenue from operations.

⁽⁶⁾ Return on Equity is ratio of Profit for the year and Average Shareholder Equity.

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings and short-term borrowings + deferred tax liability(net).

Explanation for KPI metrics

| KPI | Explanations |
|-------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders' funds |
| RoCE (%) | RoCE provides how efficiently our Company generates earnings from the capital employed in the business. |

Statement of Significant Accounting Policies

For details in respect of Statement of Significant Accounting Policies, please refer to "Annexure IV of Restated Consolidated Financial Statements" beginning on page 123 of this Draft Red Herring Prospectus.

Significant Factors Affecting Our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 23 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes;
3. Failure to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technologies and the industries we focus on;
4. Pricing pressure due to intense competition in the market for IT Services;
5. Any change in government policies resulting in increases in taxes payable by us;
6. Dependency on a limited number of clients for a significant portion of our revenues;
7. Our ability to retain our key managements persons and other employees;
8. Changes in laws and regulations that apply to the industries in which we operate;
9. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
10. Our ability to grow our business;
11. General economic, political and other risks that are out of our control;
12. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. Inability to successfully obtain registrations in a timely manner or at all;
15. Occurrence of Environmental Problems & Uninsured Losses;
16. Regulatory, legislative or self-regulatory developments regarding data protection;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved
19. Concentration of ownership among our Promoters; and

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022.

(Rs. in Lakhs)

| Particulars | For the year ended 31st Mar'24 | % of Total Income | For the year ended 31st Mar'23 | % of Total Income | For the year ended 31st Mar'22 | % of Total Income |
|--|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|
| Revenue from operations | 10,750.09 | 99.31% | 6,323.72 | 98.86% | 5,905.56 | 99.61% |
| Other Income | 74.45 | 0.69% | 72.89 | 1.14% | 22.97 | 0.39% |
| Total Income | 10,824.54 | 100.00% | 6,396.60 | 100.00% | 5,928.53 | 100.00% |
| Expenses | | | | | | |
| Cost of Services Provided | 2,763.57 | 25.53% | 350.57 | 5.48% | 441.22 | 7.44% |
| Purchase Of Stock in Trade | 3,978.93 | 36.76% | 4,741.15 | 74.12% | 2,880.31 | 48.58% |
| Changes in inventories of finished goods, Stock-In- Trade & Work in progress | 577.44 | 5.33% | -1,487.21 | -23.25% | 3.41 | 0.06% |
| Employee benefits Expenses | 1,646.74 | 15.21% | 1,525.08 | 23.84% | 1,364.53 | 23.02% |
| Finance costs | 322.37 | 2.98% | 177.11 | 2.77% | 126.77 | 2.14% |
| Depreciation and amortization expense | 70.47 | 0.65% | 59.11 | 0.92% | 53.19 | 0.90% |
| Other Expense | 748.47 | 6.91% | 633.73 | 9.91% | 592.34 | 9.99% |
| Total Expenses | 10,108.00 | 93.38% | 5,999.55 | 93.79% | 5,461.77 | 92.13% |
| Profit before exceptional, extraordinary items and tax | 716.54 | 6.62% | 397.06 | 6.21% | 466.76 | 7.87% |
| Less: Exceptional Items | - | - | - | - | - | - |
| Profit before extraordinary items and tax | 716.54 | 6.62% | 397.06 | 6.21% | 466.76 | 7.87% |
| Extra ordinary items | - | - | - | - | - | - |
| Profit/(Loss) before tax | 716.54 | 6.62% | 397.06 | 6.21% | 466.76 | 7.87% |
| Tax expenses: | | | | | | |
| (a) Current tax expense | 202.70 | 1.87% | 121.88 | 1.91% | 144.32 | 2.43% |
| (b) Deferred tax | 8.47 | 0.08% | 5.99 | 0.09% | 7.20 | 0.12% |
| Profit/(Loss) for the period After Tax- PAT | 522.31 | 4.83% | 281.17 | 4.40% | 329.63 | 5.56% |

Revenue from operations:

Revenue from operations mainly consists of sale of IT Infrastructure and System Integration services and its related Goods.

Other Income:

Our other income primarily comprises of Interest on FDR, Creditors written back, MSME Interest Income, Claim from Insurance Company and Misc. Income.

Expenses:

Company's expenses consist of Purchase of Stock in Trade, Change in inventories of Stock-in-trade, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

Cost Of Service Provided:

Our cost of service provided comprises of Annual Maintenance Charges, Commissioning & installation, Recurring charges Service charge, Manpower Support and Repairing & Rental charges.

Purchase of Stock in Trade:

Changes in inventories of Finished Goods and Work in Progress:

Our changes in the inventory comprises of Changes in inventories of finished goods and work in progress.

Employee benefits expense:

Our employee benefits expense comprises of Salaries and Wages, Staff Welfare Expenses, Directors Remuneration, Contribution to PF & Other Funds, Leave Encashment and Gratuity Expense.

Finance Costs:

Our finance cost includes Interest expenses and other borrowing costs.

Depreciation and Amortization Expenses:

Depreciation includes depreciation on Property, Plant & Equipment's, furniture, computers etc.

Other Expenses:

Our other expenses include Power & Fuel, Electricity Expenses, Labour Charges, Freight Inward, Site Expenses, Office Expenses, Rent, Legal Expenses, Professional Fees & Consultancy Charges, Audit Fees, Insurance, Bank Charges, Telephone & Mobile Expenses, Postage & Courier, Business Promotional Expenses, Commission Expenses, Tour & Travels, Printing and Stationery, Security Guard Expenses, Repair & Maintenance, Covid Expenses, Loss Due to Fire, Staff Welfare, Conveyance Expenses, Meeting & Conferencing Expenses, Deducted by Party, Tender Fees, Fees & Taxes, Bad Debts and Discount.

Financial Year 2024 Compared to Financial Year 2023 (Based on Restated Financial Statements)

Total Income:

Total income for the financial year 2023-24 stood at Rs. 10824.54 Lakhs as compared to Rs. 6396.60 Lakhs in financial year 2022-23 representing an increase of 69.5%. Such Increase was due to increase in business operations of the Company.

Revenue from Operations:

During the financial year 2023-24, the revenue from operations of our company increased to Rs. 10750.09 Lakhs as against Rs. 6323.72 Lakhs in financial year 2022-23, representing an increase of 70.10%. The main reason of increase was due to increase in the sales of services and goods of the company.

Other Income:

During the financial year 2023-24, the other income of our company increases to Rs. 74.45 Lakhs as against Rs. 72.89 Lakhs in financial year 2022-23, representing an increase of 2.1%. The increase in other income was due to increase in Interest from FDR from Rs. 26.88 lakhs in the FY. 2022-23 as compared to Rs. 34.58 Lakhs in the FY. 2023-24 representing an increase of 28.64%, increase in MSME Interest Income from Rs. 0.00 Lakhs in the FY. 2022-23 as compared to Rs. 7.94 lakhs in FY 2023-24 representing an increase of 100% and increase in Claim from Insurance company from Rs. 0.00 Lakhs in the FY. 2022-23 as compared to Rs. 5.58 lakhs in FY 2023-24 representing an increase of 100%.

Total Expenses:

Total expenses for the financial year 2023-24 increased to Rs. 10,108 Lakhs as compared to Rs. 5999.55 Lakhs in financial year 2022-23 representing an increase of 68.10%. Such Increase was due to increase in the volume of business operations of the company.

Cost of Service Provided:

The Cost of Service Provided for the financial year 2023-24 stood at Rs. 2763.57 Lakhs against Rs. 350.57 Lakhs in the Financial Year 2022-23 representing a increase of 688.30%. Such increase was due to increase in (i) Annual Maintenance Charges from 100.05 lakhs in FY. 2022-23 as compared to Rs. 322.83 Lakhs in FY. 2023-24 which amount to increase of 222.68%; (ii) Commissioning & installation from Rs. 84.12 lakhs in FY. 2022-23 as compared to Rs. 379.57 Lakhs in FY. 2023-24 which amount to increase of 351.23%; (iii) Recurring Charges Rs. 11.66 lakhs in FY. 2022-23 as compared to Rs. 29.90 Lakhs in FY. 2023-24 which amount to increase of 156.38%; and (iv) Manpower Support Rs. 0.00 lakhs in FY. 2022-23 as compared to Rs. 1874.38 Lakhs in FY. 2023-24 which amount to increase of 100%.

Purchase of Stock in Trade:

The Purchase of stock in trade for the financial year 2023-24 stood at Rs. 3978.93 Lakhs against Rs. 4741.15 Lakhs in the Financial Year 2022-23 representing a decrease of 16.08%.

Change in inventories of finished goods, work in progress and stock in trade:

The Change in inventories of finished goods, work in progress and stock in trade for financial year 2023-24 has been increased as compared to the financial year 2022-23 by 138.83%, which was due to decrease in closing stock of finished goods & WIP from 1757.87 Lakhs in FY. 2022-23 as compared to 1180.43 Lakhs in FY. 2023-24 representing a decrease of 32.85% and increase in opening stock of finished goods from 252.68 lakhs in FY 2022-23 as compared to 1739.89 Lakhs in FY 2023-24 representing an increase of 588.58%.

Employee benefits expense:

Our company has incurred Rs. 1646.74 Lakhs as employee benefit expenses during the financials year 2023-24 as compared to Rs. 1525.08 Lakhs in the financial year 2022-23 representing increase of 7.98%. Such increase was due to increase in (i) Salaries & Wages from 1163.67 lakhs in FY. 2022-23 as compared to Rs. 1288.93 Lakhs in FY. 2023-24 which amount to increase of 10.76%; and (ii) Contribution to PF & other Funds from 97.91 lakhs in FY. 2022-23 as compared to Rs. 110.01 Lakhs in FY. 2023-24 which amount to increase of 12.35%.

Finance costs:

These costs were for the financial Year 2023-24 increased to Rs. 322.37 Lakhs as against Rs. 177.11 Lakhs during the financial year 2022-23, representing an increase of 82.01%. Such increase was due to increase in Interest expenses from 135.41 lakhs in FY. 2022-23 as compared to Rs. 292.27 Lakhs in FY. 2023-24 which amount to increase of 115.84%.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2023-24 stood at Rs.70.47 Lakhs as against to Rs.59.11 Lakhs in financial year 2022- 23 representing an increase of 19.23%. Such increase was due to addition in Fixed Assets during the FY 2023-24.

Other expense:

Our company has incurred Rs. 748.47 Lakhs as other expenses during the financials year 2023-24 as compared to Rs. 633.73 Lakhs in the financial year 2022-23 representing an increase of %. Such increase was due to increase in (i) Freight Inward from Rs. 24.37 lakhs in FY. 2022-23 as compared to Rs. 39.96 Lakhs in FY. 2023-24 which amount to increase of 63.95%; (ii) Commission expenses from Rs. 18.60 lakhs in FY. 2022-23 as compared to Rs. 33.26 Lakhs in FY. 2023-24 which amount to increase of 78.79%; (iii) Site Expenses from Rs. 81.66 lakhs in FY. 2022-23 as compared to Rs. 182.25 Lakhs in FY. 2023-24 which amount to increase of 123.18%; (iv) Tour & Travels from Rs. 91.16 lakhs in FY. 2022-23 as compared to Rs. 122.54 Lakhs in FY. 2023-24 which amount to increase of 34.43%; (v) Office expenses from Rs. 24.43 lakhs in FY. 2022-22 as compared to Rs. 31.05 Lakhs in FY. 2023-24 which amount to increase of 27.11%; and (vi) Rent from Rs. 45.94 lakhs in FY. 2022-22 as compared to Rs. 59.12 Lakhs in FY. 2023-24 which amount to increase of 29.82%.

Restated Profit/ (Loss) before tax:

Restated Profit before Tax for the financial year 2023-24 was Rs. 716.54 Lakhs as compared to Restated profit before tax of Rs. 397.06 Lakhs during the financial year 2022-23 which amounts to increase was majorly due to factors as mentioned above.

Restated Profit/ (Loss) after tax:

Restated Profit after Tax for the financial year 2023-24 was Rs. 522.31 Lakhs as compared to Restated profit after tax of Rs. 281.17 Lakhs during the financial year 2022-23.

Financial Year 2023 compared to Financial Year 2022 (Based on Restated Financial Statements)

Total Income:

Total income for the financial year 2022-23 stood at Rs. 6396.60 Lakhs as compared to Rs. 5928.53 Lakhs in financial year 2021-22 representing an increase of 7.90%. Such increase was due to increase in business operations of the Company.

Revenue from Operations:

During the financial year 2022-23, the revenue from operations of our company increased to Rs. 6323.72 Lakhs as against Rs. 5905.56 Lakhs in financial year 2021-22, representing increase of 7.1%. The main reason of increase was due to increase in the sale of goods during the FY 2022-23.

Other Income:

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During the financial year 2022-23, the other income of our company increases to Rs. 72.89 Lakhs as against Rs. 22.97 Lakhs in financial year 2021-22, representing an increase of 217.34%. The increase in other income was due to increase in Creditors Written back from Rs. 0.00 lakhs in the FY. 2021-22 as compared to Rs. 45.80 Lakhs in the FY. 2022-23 representing increase of 100%, increase in Interest on FDR from Rs. 22.71 Lakhs in the FY. 2021-22 as compared to Rs. 26.88 lakhs in FY 2022-23 representing an increase of 18.36%.

Total Expenses:

Total expenses for the financial year 2022-23 increased to Rs.5999.55 Lakhs as compared to Rs. 5461.77 Lakhs in financial year 2021-22 representing increase of 9.85%. Such increase was due to increase in the volume of business operations of the company.

Cost of Service Provided:

The Purchase of Stock in Trade for the financial year 2022-23 stood at Rs. 350.57 Lakhs against Rs. 441.22 Lakhs in the Financial Year 2021-22 representing a decrease of -20.54%. Such decrease was due to decrease in (i) Annual Maintenance Charges from 158.50 lakhs in FY. 2021-22 as compared to Rs. 100.05 Lakhs in FY. 2022-23 which amount to decrease of 36.80%; (ii) Commissioning & installation from Rs. 214.57 lakhs in FY. 2021-22 as compared to Rs. 84.12 Lakhs in FY. 2022-23 which amount to decrease of 60.80%; and (iii) Recurring Charges Rs. 33.04 lakhs in FY. 2021-22 as compared to Rs. 11.66 Lakhs in FY. 2022-23 which amount to decrease of 64.71%.

Purchase of Stock in Trade:

The Purchase of Stock in Trade for the financial year 2022-23 stood at Rs. 4741.15 Lakhs against Rs. 2880.31 Lakhs in the Financial Year 2021-22 representing an increase of 64.61%.

Change in inventories of finished goods, work in progress and stock in trade:

The Change in inventories of finished goods for financial year 2022-23 has been decreased as compared to the financial year 2021-22 by 43666.42%, which was due to increase in Closing stock of finished goods from 252.68 Lakhs in FY. 2021-22 as compared to 1757.87 Lakhs in FY. 2022-23 representing an increase of 595.69%.

Employee benefits expense:

Our company has incurred Rs. 1364.53 Lakhs as employee benefit expenses during the financials year 2021-22 as compared to Rs. 1525.08 Lakhs in the financial year 2022-23 representing increase of 11.77%. Such increase was due to increase in (i) Salaries & Wages from 1022.70 lakhs in FY. 2021-22 as compared to Rs. 1163.67 Lakhs in FY. 2022-23 which amount to increase of 13.78%; (ii) Staff & Labour Welfare from Rs. 3.21 lakhs in FY. 2021-22 as compared to Rs. 8.21 Lakhs in FY. 2022-23 which amount to increase of 155.40%; (iii) Director Remuneration from Rs. 208.69 lakhs in FY. 2021-22 as compared to Rs. 224.09 Lakhs in FY. 2022-23 which amount to increase of 7.38%.

Finance costs:

These costs were for the financial Year 2022-23 increased to Rs. 177.11 Lakhs as against Rs. 126.77 Lakhs during the financial year 2021-22, representing an increase of 39.71%. Such increase was majorly due to increase in Other Borrowings Costs from 10.58 lakhs in FY. 2021-22 as compared to Rs. 41.71 Lakhs in FY. 2022-23 which amount to increase of 294.25%.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2021-22 stood at Rs. 53.19 Lakhs as against to Rs. 59.11 Lakhs in financial year 2022-23 representing an increase of 11.13%. Such increase was due to addition in Fixed Assets during the FY 2022-23.

Other expense:

Our company has incurred Rs. 633.73 Lakhs as other expenses during the financials year 2022-23 as compared to Rs. 592.34 Lakhs in the financial year 2021-22 representing an increase of 6.99%. Such increase was due to increase in (i) Tour & Travels from Rs. 57.51 lakhs in FY. 2021-22 as compared to Rs. 91.16 Lakhs in FY. 2022-23 which amount to increase of 58.52%; (ii) Repair & Maintenance from Rs. 3.17 lakhs in FY. 2021-22 as compared to Rs. 12.01 Lakhs in FY. 2022-23 which amount to

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increase of 278.19%; (iii) Professional Fees & Consultancy charges from Rs. 75.35 lakhs in FY. 2021-22 as compared to Rs. 103.00 Lakhs in FY. 2022-23 which amount to increase of 36.70%; (iv) Insurance Charges from Rs. 28.72 lakhs in FY. 2021-22 as compared to Rs. 46.36 Lakhs in FY. 2022-23 which amount to increase of 61.40%; (v) Office expenses from Rs. 8.26 lakhs in FY. 2021-22 as compared to Rs. 24.43 Lakhs in FY. 2022-23 which amount to increase of 195.64%; (vi) Site expenses from Rs. 58.67 lakhs in FY. 2021-22 as compared to Rs. 81.66 Lakhs in FY. 2022-23 which amount to increase of 39.18%; (vi) Conveyance Expenses Rs. 42.95 lakhs in FY. 2021-22 as compared to Rs. 73.15 Lakhs in FY. 2022-23 which amount to increase of 70.30%; and (viii) Business promotional expenses from Rs. 10.82 lakhs in FY. 2021-22 as compared to Rs. 27.23 Lakhs in FY. 2022-23 which amount to increase of 151.69%.

Restated Profit/ (Loss) before tax:

Restated Profit before Tax for the financial year 2022-23 was Rs. 397.06 Lakhs as compared to Restated profit before tax of Rs. 466.76 Lakhs during the financial year 2021-22 which amounts to increase was majorly due to factors as mentioned above.

Restated Profit/ (Loss) after tax:

Restated Profit after Tax for the financial year 2022-23 was Rs. 281.17 Lakhs as compared to Restated profit after tax of Rs. 329.63 Lakhs during the financial year 2021-22.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:
An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 23 of the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 23, 85 and 159 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

5. Total turnover of each major industry segment in which our Company operates

Our business activity primarily falls within a single business and geographical segment, i.e. is engaged in the business of IT Infrastructure solution and services, as disclosed in “**Restated Financial Statements**” on page 123, we do not follow any other segment reporting.

6. Status of any publicly announced New Products or Business Segment

Except as disclosed in the Chapter “**Our Business**” on page 85, our Company has not announced any new product or service.

7. Seasonality of business

Our business is not subject to seasonality. For further information, see “**Industry Overview**” and “**Our Business**” on pages 75 and 85, respectively.

8. Dependence on single or few customers

We are not dependent upon single or few customers.

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 75 and 85 respectively of this Draft Red Herring Prospectus

10. Details of material developments after the date of last balance sheet i.e. March 31, 2024.

After the date of last Balance sheet i.e. March 31, 2024, the following material events have occurred after the last audited period:

1. Our company has allotted Bonus Shares to the existing shareholders of the company in the ratio of 2:1 i.e. 2 bonus shares to every 1 share held by shareholders on May 03, 2024.
2. A special resolution was passed by the shareholders at the Extra Ordinary General Meeting held on May 30, 2024 for changing the name of our company from “Takyon Networks Private Limited” to “Takyon Networks Limited” and a Certificate of Incorporation dated August 07, 2024 was issued by the Register of Companies, Uttar Pradesh, Kanpur, consequent upon conversion to public company.
3. We have appointed Pooja Sharma as Company Secretary and Compliance officer of the company with effect from the June 18, 2024 vide Board resolution dated June 18, 2024
4. We have appointed Vivek Singh as Chief Financial officer of the company with effect from the August 13, 2024 vide Board resolution dated August 13, 2024.
5. Manish Kumar Sharma was re-designated appointed as Chairman vide the Board Meeting held on August 14, 2024 & redesignated as Managing Director of the company vide Extra Ordinary General Meeting held on August 14, 2024.
6. Neeraj Kumar was re-designated as Whole Time Director & Chief Financial Officer of the company vide Extra Ordinary General Meeting held on August 14, 2024 & Chief Financial Officer of the company vide Board Meeting held on August 13, 2024.
7. Ashwani Jaiswal was appointed as Independent Director of the company vide Extra Ordinary General Meeting held on August 14, 2024.
8. Swati Singh was appointed as Independent Director of the company vide Extra Ordinary General Meeting held on August 14, 2024.
9. Sarita Paswan was appointed as Independent Director of the company vide Extra Ordinary General Meeting held on August 14, 2024.
10. We have passed the Board Resolution in the meeting of Board of Directors dated August 13, 2024, authorizing the Board of Director to raise funds by making an Initial public offering.
11. We have passed the Special resolution in the Extra Ordinary General Meeting of Members held on August 14, 2024, authorizing the Board of Director to raise funds by making an Initial public offering

CAPITALIZATION STATEMENT

Capitalization Statement as at 31st March, 2024

(₹ In Lakhs)

| Particulars | Pre-Issue | Post Issue |
|---|-----------------|------------|
| Borrowings | | |
| Short term debt (A) | 1,561.11 | * |
| Long Term Debt (B) | 275.45 | * |
| Total debts (C) | 1,836.56 | * |
| Shareholders' funds | | |
| Equity share capital | 351.00 | * |
| Reserve and surplus - as restated | 2475.55 | * |
| Total shareholders' funds | 2826.55 | * |
| Long term debt / shareholders' funds | 0.10 | * |
| Total debt / shareholders' funds | 0.65 | * |

* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Short term Debts represent which are expected to be paid/payable within 12 months.

Long term Debts represent debts other than short term Debts as defined above.

SECTION VII – LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.

Our Board, in its meeting held August 16, 2024 determined that outstanding legal proceedings involving the Company, Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.

A. LITIGATION INVOLVING THE COMPANY**a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against the Company.

b) Criminal proceedings filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Company.

c) Actions taken by statutory and regulatory authorities against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory and regulatory authorities against the Company.

Tax Proceedings:**(Amount in Lakhs)**

| Nature of Proceedings | Number of Cases | Amount involved | Status |
|--------------------------|-----------------|-----------------|---|
| Direct tax | | | |
| Income Tax | 3 | 29.35* | <p>1. In the Assessment year 2018-19, the Department of Income Tax issued a Notice of Demand under section 143(1)(a) on December 25, 2019, indicating a demand for Rs. 67,220. In response, the company filed an appeal on June 15, 2022, challenging this demand. As of now, the matter is still pending and has not yet been resolved.</p> <p>2. In the Assessment year 2020-21, the Department of Income Tax issued a Notice of Demand under section 143(1)(a) on December 21, 2021, which outlined a demand of Rs. 12,50,210. In addition to the principal amount, interest accrued on this demand amounts to Rs. 3,75,060. The company responded by filing an appeal against this demand on June 15, 2022. As of the current date, the appeal is still pending, and the matter remains unresolved.</p> <p>3. In the Assessment year 2021-22, the Department of Income Tax issued a Notice of Demand under section 143(1)(a) on October 25, 2022. This notice details a demand for Rs. 10,36,140. Additionally, interest on the demand has accrued to Rs. 2,07,220. As of now, the company has not yet responded to this notice, and no action has been taken regarding the demand. The matter is still pending and remains unresolved.</p> |
| TDS | 1 | 0.90* | There has been a default in the payment of Tax Deducted at Source (TDS) under sections 201, 234E, and 220(2) of the Income Tax Act, 1961, resulting in a demand amounting to Rs. 90,127. The company has since made the necessary payment to address this demand. However, despite the payment, the outstanding amount is still reflected on the Income Tax portal, indicating that the demand has not yet been updated or resolved on the system. |
| Indirect Tax: NIL | | | |

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus.

d) Other pending material litigation against the Company

As on the date of this Draft Red Herring Prospectus, there are no other pending material litigation against the Company.

e) Other pending material litigation filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no other pending material litigation filed by the Company.

B. LITIGATION INVOLVING THE DIRECTORS/PROMOTERS OF THE COMPANY

a) Criminal proceedings against the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against the Directors & Promoters of the Company.

b) Criminal proceedings filed by the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Directors & Promoters of the Company.

c) Actions taken by statutory and regulatory authorities against the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory and regulatory authorities against the Directors & Promoters of the Company.

d) Tax proceedings:

The details pertaining to Direct Tax matters are as below:

(Amount in Lakhs)

| Nature of Proceedings | Number of Cases | Amount involved | Status |
|-----------------------|-----------------|-----------------|---|
| Direct tax | | | |
| Manish Kumar Sharma | | | |
| Income Tax | 3 | 5.93* | <p>1. For the Assessment year 2016-17, an order dated December 22, 2018, was issued by the Department of Income Tax under section 143(3), which stated a demand of Rs. 25,579.</p> <p>2. For the Assessment Year 2018-19, the Department of Income Tax issued a Notice of Demand under section 143(1)(a) on June 26, 2019. This notice specifies a demand for Rs. 4,18,200.</p> <p>3. In 2019-20, an Order of Demand was issued by the Income Tax Department on January 29, 2020, under section 140A(3) of the Income Tax Act. This order pertains to the assessment year 2015-16 and specifies that a payment of Rs. 1,50,450/- is required against the Self-Assessment Tax.</p> <p>Response: In all the above cases, according to the company's records, all outstanding amounts related to this demand have been fully paid. Despite this, the demand continues to appear on the Income Tax portal. In response, the company has submitted a formal request to the Income Tax Department to remove the respective demands."</p> |
| Neeraj Kumar | 2 | 6.68* | <p>1. For the assessment year 2016-17, the Income tax department issued a notice of demand under section 220(2) dated January 30, 2020. According to this notice, there is a demand for Rs. 577/-</p> <p>2. For the assessment year 2018-19, a Notice of Demand under section 143(1)(a), dated June 11, 2019, was issued by the Income Tax Department, stating a demand of Rs. 4,35,020/-. The current interest applicable on this demand amounts to Rs. 2,33,404/-</p> <p>Response: In all the above cases, according to the company's records, all outstanding amounts related to this demand have been fully paid. Despite this, the demand continues to appear on the</p> |

| | | | |
|--------------------------|--|--|--|
| | | | <i>Income Tax portal. In response, the company has submitted a formal request to the Income Tax Department to remove the respective demands.</i> |
| Indirect Tax: NIL | | | |

**Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus.*

e) Other pending material litigations against the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no other pending material litigation against the Directors and Promoters of the Company.

f) Other pending material litigation filed by the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no other pending material litigation filed by the Directors and Promoters of the Company.

C. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there are no group companies of the Company.

D. LITIGATIONS INVOLVING THE SUBSIDIARIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there are no pending litigation involving subsidiaries of the Company which can have a material impact on our Company.

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS, DIRECTORS AND GROUP COMPANIES DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Red Herring Prospectus in the case of our Company, Promoters, and Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the Draft Red Herring Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Red Herring Prospectus.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 159 of this Draft Red Herring Prospectus, there have been no material developments that have occurred since the date of last financial statements disclosed in this Draft Red Herring Prospectus which may materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities.

AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:

The Board of Directors of our Company considers dues exceeding 5% of our Company's trade payables as per the last Restated financial statements, to small scale undertakings and other creditors, as material dues for our Company.

As per Restated Financial Statements, the trade payables of our Company as on March 31, 2024 were Rs. 2198.91 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds Rs. 109.95 lakhs as on March 31, 2024. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on August 13, 2024.

As per the above materiality policy, the outstanding amount owned to small scale undertakings and material creditors as on March 31, 2024, by our Company is as follows:

| Material Creditors | Number of Creditors | Amount Involved (₹ in Lakhs) |
|--------------------------------------|----------------------------|-------------------------------------|
| Micro, Small and Medium Enterprises* | 22 | 82.20 |
| Material Creditors | 6 | 1447.64 |
| Other Creditors | 127 | 669.07 |
| Total | 155 | 2198.91 |

**Entities that are identified as "Micro, Small and Medium Enterprises" under the Restated Financial Statements are considered as micro small and medium enterprises.*

The details pertaining to amounts due towards material creditors are available on the website of our Company at <https://takyon.co.in>.

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, in relation to amount unpaid together with interest payable have not been furnished. There are no disputes with such entities in relation to payments to be made to them.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

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

The Company has got following licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies required for its present business.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled ‘Key Industry Regulations and Policies’ on page 96 of this Draft Red Herring Prospectus.

I. Approvals for the Issue:

The following approvals have been obtained or will be obtained in connection with the Issue

Corporate Approvals:

- a) The Board of Directors has, pursuant to a resolution dated August 13, 2024 under Section 62(1)(c) of the Companies Act, 2013 passed at its meeting held on authorized the Issue, subject to the approval of the shareholders of the Company and approvals by such other authorities, as may be necessary.
- b) The shareholders of the Company have, pursuant to a resolution passed in an Extraordinary General Meeting held on August 14, 2024 authorized the Issue under Section 62(1) (c) of the Companies Act, 2013.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated September 24, 2024.

Approval from the Stock Exchange:

- a. In-principle approval dated [●] from the BSE for listing of the Equity Shares on BSE SME Platform issued by our Company pursuant to the Issue.

Agreements with NSDL and CDSL:

- a. The company has entered into a Tripartite agreement dated September 11, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited for the dematerialization of its shares.
- b. Similarly, the Company has also entered into a Tripartite agreement dated [●] with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited for the dematerialization of its shares.
- c. The Company's International Securities Identification Number (“ISIN”) is INE14OX01013.

II. Incorporation related Approvals:

| Sr. No. | Nature of Registration/ License | CIN | Applicable Laws | Issuing Authority | Date of issue | Date of Expiry |
|---------|--|-----------------------|---------------------|-----------------------------|-----------------|----------------------|
| 1. | Certificate of Incorporation | U72300UP2015PTC070649 | Companies Act, 2013 | Central Registration Centre | May 12, 2015 | Valid till Cancelled |
| 2. | Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company | U72300UP2015PLC070649 | Companies Act, 2013 | Central Registration Centre | August 07, 2024 | Valid till Cancelled |

III. Tax Related Approvals:

| Sr. No. | Nature of Registration/ License | Registration/ License No. | Applicable Laws | Issuing Authority | Date of Issue/Renewal | Date of Expiry |
|---------|--|---------------------------|---|-------------------------------------|-----------------------|----------------------|
| 1 | Permanent Account Number (PAN) | AAFCT3428D | Income Tax Act, 1961 | Commissioner of Income Tax | May 12, 2015 | Valid till Cancelled |
| 2 | Tax Deduction and Collection Account Number (TAN) | LKNT06211C | Income Tax Act, 1961 | Income Tax Department | November 21, 2017 | Valid till Cancelled |
| 3 | Certificate of Registration of Goods and Service Tax (Uttar Pradesh) | 09AAFCT3428D1ZG | Central Goods and Service Tax Act, 2017 | Assistant Commissioner of State Tax | September 12, 2024 | Valid till Cancelled |
| 4 | Certificate of Registration of Goods and Service Tax (Delhi) | 07AAFCT3428D1ZK | Central Goods and Service Tax Act, 2017 | Assistant Commissioner of State Tax | April 27, 2021 | Valid till Cancelled |

IV. Business Related Certifications:

| Sr. No. | Nature of Registration/ License | Registration/ License No. | Applicable Laws | Issuing Authority | Date of Issue/ Renewal | Date of Expiry |
|---------|--|---------------------------|--|---|--|----------------------|
| 1. | LEI Certificate | 894500JTTLAZGG99XP20 | Payments and Settlements Act, 2007 | Legal Entity Identifier India Limited | May 06, 2024 | May 06, 2028 |
| 2. | Udyam Registration Certificate (Medium scale) | UDYAM-UP-50-0004173 | Micro, Small and Medium Enterprises Development Act, 2006 | Ministry of Micro, Small and Medium Enterprises | September 15, 2020 | Valid till Cancelled |
| 3. | Shop and Establishment certificate Address: CP 37, Viraj Khand Gomti Nagar, Lucknow, Uttar Pradesh, India, 226016 | UPSA28711408 | Uttar Pradesh Shops and Commercial Establishment Act, 1962 | Labour Commissioner Organization, Uttar Pradesh | Renewed Certificate issued on September 06, 2024, valid from June 01, 2017 | Valid till Cancelled |
| 4. | Registration Certificate of Establishment Address: 9 th , 911 DLF Tower B IT Services, Jasola District Centre Delhi 110025 | 2024167609 | Delhi Shops & Establishments Act, 1954 | Department of Labour. Government of National Capital Territory of Delhi | August 28, 2024 | Valid till Cancelled |

V. Labour Related Approvals obtained by our Company:

| Sr. No. | Nature of Registration /Licence | Registration/Licence No. | Applicable Laws | Issuing Authority | Date of Issue | Date of Expiry |
|---------|--|--------------------------|---|---|---------------|----------------------|
| 1 | Registration under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | UPLKO1622565000 | Employees' Provident Funds & Miscellaneous Provisions Act, 1952 | Employee Provident Fund Organisation | July 17, 2017 | Valid till Cancelled |
| 2. | Registration under Employees' State Insurance Corporation (ESIC) | 30000647310001099 | Employee's State Insurance Act, 1948 | Sub-Regional Office, Employees State Insurance Corporation, Lucknow | July 19, 2017 | Valid till Cancelled |

VI. Quality Certifications

| Sr. No. | Nature of Registration/ License | Registration/ License No. | Description | Issuing Authority | Date of Issue | Date of Expiry |
|---------|---|---------------------------|--|---|--------------------|--------------------|
| 1. | Providing Solutions and Services for Software Development, IT Infrastructure, Information Security, Network Voice, Telecom Server and Storage | 23EQNE97 | Quality Management System of ISO 9001:2015 | Magnitude Management Services Private Limited | September 19, 2023 | September 18, 2026 |
| 2. | Providing Solutions and Services for Software Development, IT Infrastructure, Information Security, Network Voice, Telecom Server and Storage | 23EQNA93 | Information Security Management System of ISO/IEC 27001:2022 | Magnitude Management Services Private Limited | September 19, 2023 | September 18, 2026 |
| 3. | Providing Solutions and Services for IT Infrastructure, Facility Management Services, Annual Maintenance Contract, Information Security, Power, Surveillance, Network Voice Telecom Server and Storage. | 23ZMCC1424IT | Information Technology Service Management System of ISO/IEC 20000-1:2018 | International Quality Certification Services UK Ltd | July 22, 2023 | July 21, 2026 |

VII. Intellectual property related approvals:

| S. No. | Brand name/ Logo Trademark | Class | TM Category | Proprietor | Certificate/Application No. & Date | Issuing Authority | Status |
|--------|----------------------------|-------|-------------|---------------------------------|------------------------------------|-----------------------------|------------|
| 1. | takNEXT | 42 | Word Mark | Takyon Networks Private Limited | 5856109 & March 20, 2023 | Trade Mark Registry, Mumbai | Registered |

VIII. Licenses/ Approvals are yet to be applied by Company: N.A.**IX. Licenses/ Approvals for which applications have been made by our Company and are pending:**

- i. Our Company has applied for registration of our logo under Trademark Act, 1999 with application no. 6620634 dated September 12, 2024, which is currently pending with the Registrar of Trademarks.
- ii. Our Company has applied for registration of word mark as “Takyon Networks” under Trademark Act, 1999 with application no. 5856108 dated March 20, 2023, which is currently under objection by the Registrar of Trademarks.
- iii. Change in name of all the licenses and approvals which are in the name of “Takyon Networks Private Limited”, the same are required to be updated/ changed with various government/ semi government authorities and various organization consequent to the conversion of the Company to Public Company i.e. “Takyon Networks Limited”

OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated August 16, 2024 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfills both the below mentioned conditions:

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); or
- b. if such company fulfills both the below mentioned conditions: -
 - i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations 2018; and
 - ii) Where the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, None of our company has been identified as our Group Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue:

Corporate Approvals:

The Board of Directors, pursuant to a resolution passed at their meeting held on August 13, 2024 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on August 14, 2024 authorized the Issue.

In-principle Approval:

Our Company has obtained in-principle approval from the BSE SME for using its name in the Red Herring Prospectus/ Prospectus pursuant to an approval letter dated [●] BSE is the Designated Stock Exchange.

Prohibition by SEBI or other Governmental Authorities:

We confirm that there is no prohibition on our Company, our Promoters, our Promoter Group, our directors, or the person(s) in control of our Company from accessing or operating in the Capital Markets or debarment from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any securities market regulator in any other jurisdiction or any other authority/court.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoters, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter ***“Outstanding Litigations and Material Development”*** beginning on page 168 of this Draft Red Herring Prospectus.

Association with Securities Market:

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors in the past 5 years.

Prohibition by RBI:

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter ***“Outstanding Litigations and Material Development”*** beginning on page 168 of this Draft Red Herring Prospectus.

Prohibition with respect to wilful defaulters or a fraudulent borrower

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Under the SBO Rules certain persons who are ‘significant beneficial owners’, are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Red Herring Prospectus, there are no such significant beneficial owners in our Company

Eligibility for the Issue:

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Takyon Networks Limited

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ten crore rupees and upto twenty-five crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “BSE SME”).

We confirm that:

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “**General Information – Underwriting**” beginning on page 42 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268 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.
- c) In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
- d) In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the BSE SME. For further details of the arrangement of market making please refer to section titled “General Information – Details of the Market Making Arrangements for this Issue” beginning on page 42 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, our Company, its promoters, promoter group or directors are not debarred from accessing the capital markets by the Board.
- f) In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, the companies with which our promoters or directors are associated as a promoter or director are not debarred from accessing the capital markets by the Board.
- g) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoter or directors is a wilful defaulter or a fraudulent borrower.
- h) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoter or directors is a fugitive economic offender.
- i) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to BSE (SME Platform of the BSE) is the Designated Stock Exchange.
- j) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
- l) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoter is already in dematerialized form.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated September 11, 2024 and National Securities Depository Limited dated [●] for establishing connectivity.
2. Our Company has a website i.e., <https://takyon.co.in/>
3. The Equity Shares of our Company held by our Promoters are in dematerialized form;
4. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus, and

- There has been no change in the promoter of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the BSE SME (SME Platform of BSE):

- Our Company was originally incorporated as a Private Limited Company under the name of “Takyon Networks Private Limited” on May 12, 2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Kanpur, Uttar Pradesh bearing CIN: U72300UP2015PTC070649. Subsequently, our Company was converted into a public limited company under Companies Act with the name ‘Takyon Networks Limited’ pursuant to a fresh certificate of incorporation dated August 07, 2024 was issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U72300UP2015PLC070649.
- As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 10.53 Crores and the Post Issue Capital will be of upto ₹ [●] Crores which will be less than ₹ 25 Crores.
- The Company has a track record of at least 3 years as on the date of filing Draft Red Herring Prospectus.
- As on March 31, 2024, the Company has net tangible assets of ₹2,738.87 Lakhs.
- The company has operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive. The details of the Net Worth and Operating Profit as per the Financial Statements of the company are as detailed below:

| (In ₹ Lakhs) | | | |
|---|----------------|----------------|----------------|
| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Net Worth | 2,826.55 | 2,286.44 | 2,005.27 |
| Operating profit (earnings before interest, depreciation, Profit/ (loss) and tax) | 1,004.83 | 518.69 | 613.17 |

- The Leverage ratio (Total Debts to Equity) of the Company as on March 31, 2024 was 0.48:1 which is less than the limit of 3:1
- The Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals
- The Company further confirms that the Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither they are the promoters or directors of such companies on which the consequences of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.
- The Company confirms that there are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by our Company and promoters.
- The Company confirms that there has not been any change in its name in last 1 year.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES 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 MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2024.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND / 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 BRLM ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Hem Securities Limited (SME IPO's):

| Sr. No. | Issue name | Issue size (₹ in Cr.) | Issue Price (₹) | Listing date | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing |
|---------|--|-----------------------|-----------------|--------------------|-------------------------------|---|---|--|
| 1. | Aimtron Electronics Limited | 87.02 | 161.00 | June 06, 2024 | 241.00 | 310.93% [6.17%] | 191.86% [10.42%] | N.A. |
| 2. | Ganesh Green Bharat Limited | 125.23 | 190.00 | July 12, 2024 | 361.00 | 149.42% [-0.63%] | N.A. | N.A. |
| 3. | Chetana Education Limited | 45.90 | 85.00 | July 31, 2024 | 98.90 | -0.88% [1.14%] | N.A. | N.A. |
| 4. | Aprameya Engineering Limited | 29.23 | 58.00 | August 01, 2024 | 72.00 | 17.24% [1.31%] | N.A. | N.A. |
| 5. | Sunlite Recycling Industries Limited | 30.24 | 105.00 | August 20, 2024 | 199.50 | 49.57% [2.90%] | N.A. | N.A. |
| 6. | Aeron Composite Limited | 56.10 | 125.00 | September 04, 2024 | 150.00 | N.A. | N.A. | N.A. |
| 7. | Namo eWaste Management Limited | 51.20 | 85.00 | September 11, 2024 | 161.50 | N.A. | N.A. | N.A. |
| 8. | My Mudra Fincorp Limited | 33.60 | 110.00 | September 12, 2024 | 130.00 | N.A. | N.A. | N.A. |
| 9. | Vision Infra Equipment Solutions Limited | 106.21 | 163.00 | September 13, 2024 | 205.00 | N.A. | N.A. | N.A. |
| 10. | Shubhshree Biofuels Energy Limited | 16.56 | 119.00 | September 16, 2024 | 189.00 | N.A. | N.A. | N.A. |

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

- The scrip of Aimtron Electronics Limited has not completed its 180th day from the date of listing; Ganesh Green Bharat Limited, Chetana Education Limited, Aprameya Engineering Limited and Sunlite Recycling Industries Limited have not completed its 90th day from the date of listing and Aeron Composite Limited, Namu eWaste Management Limited, My Mudra Fincorp Limited, Vision Infra Equipment Solutions Limited and Shubhshree Biofuels Energy Limited have not completed its 30th day from the date of listing.

Summary statement of Disclosure:

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ Cr.) | No. of IPOs trading at discount- 30 th calendar days from listing | | | No. of IPOs trading at Premium- 30 th calendar days from listing | | | No. of IPOs trading at discount- 180 th calendar days from listing | | | No. of IPOs trading at Premium- 180 th calendar days from listing | | |
|----------------|-------------------|--------------------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2022-23 | 15 ⁽¹⁾ | 220.57 | - | - | - | 6 | 6 | 3 | - | - | - | 12 | - | 3 |
| 2023-24 | 21 ⁽²⁾ | 680.45 | - | - | 1 | 12 | 5 | 3 | - | - | 2 | 12 | 5 | 2 |
| 2024-25 | 18 ⁽³⁾ | 841.28 | - | - | 1 | 6 | 2 | 4 | - | - | - | - | - | - |

- The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December

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08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;

- 2) The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recycling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024, Megatherm Induction Limited was listed on February 05, 2024, Sona Machinery Limited was listed on March 13, 2024 and Enfuse Solutions Limited was listed on March 22, 2024;
- 3) The scrip of Aspire & Innovative Advertising Limited was listed on April 03, 2024, Blue Pebble Limited was listed on April 03, 2024, Amkay Products Limited was listed on May 08, 2024, TGIF Agribusiness Limited was listed on May 15, 2024, Energy-Mission Machinerics (India) Limited was listed on May 16, 2024, Aztec Fluids & Machinery Limited was listed on May 17, 2024, Premier Roadlines Limited was listed on May 17, 2024, Vilas Transcore Limited was listed on June 03, 2024, Aimtron Electronics Limited was listed on June 06, 2024; Ganesh Green Bharat Limited was listed on July 12, 2024; Chetana Education Limited was listed on July 31, 2024, Aprameya Engineering Limited was listed on August 01, 2024, Sunlite Recycling Industries Limited was listed on August 20, 2024, Aeron Composite Limited was listed on September 04, 2024, Namo eWaste Management Limited was listed on September 11, 2024, My Mudra Fincorp Limited was listed on September 12, 2024, Vision Infra Equipment Solutions Limited was listed on September 13, 2024 and Shubhshree Biofuels Energy Limited was listed on September 16, 2024.

Note:

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

Track Record of past issues handled by Hem Securities Limited:

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: www.hemsecurities.com

Disclaimer from our Company and the Book Running Lead Manager:

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the agreement entered between the BRLM (Hem securities Limited) and our Company on August 27, 2024 and the Underwriting Agreement dated August 27, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated August 27, 2024 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running 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.

The Book Running 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 in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

Note:

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Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction:

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra 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 hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE:

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE Limited (hereinafter referred to as BSE SME). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of 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 under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing of Offer Document with the Designated Stock Exchange/SEBI/ROC

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The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013 was filed to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

Listing:

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on BSE SME (SME platform of BSE).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

Impersonation:

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Consents:

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker to the Issue (Sponsor Bank)*, Legal Advisor to the Issue, Syndicate Member*, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

**The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. ADV & Associates, Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated Consolidate Financial Statements as included in this Draft Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus with the RoC.

Experts Opinion

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

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- i) Our Company has received consent from the ADV & Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (a) Auditors' reports on the restated financial statements; and (b) Statement of Special Tax Benefits (c) Statement of Financial Indebtedness. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus;

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

Fees, Brokerage and Selling Commission payable:

The total fees payable to the Book Running Lead Manager will be as per the (i) Book Running Lead manager Agreement dated August 27, 2024 with the Book Running Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated August 27, 2024 with Underwriter and (iii) the Market Making Agreement dated August 27, 2024 with Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 A.M. to 5.00 P.M. on Working Days from the date of the Draft Red Herring Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue:

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated September 02, 2024 a copy of which is available for inspection at our Company's Corporate Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/ speed post.

Particulars regarding Public Issues during the last five (5) years:

Our Company has not made any previous public issue in India or Abroad in the five (5) years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash:

For detailed description please refer to section titled “*Capital Structure*” beginning on page 51 of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues:

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in last five (5) years.

Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-à-vis object

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Option to Subscribe:

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares:

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

Partly Paid-Up Shares:

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments:

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares:

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

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 (3) 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.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaint received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid 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. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company:

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Pooja Sharma, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer will be updated prior to filing of Prospectus with ROC and BSE:

Pooja Sharma

Takyon Networks Limited

Address: CP 37, Viraj Khand, Gomti Nagar,

Lucknow – 226 010, Uttar Pradesh, India.

Tel. No.: 0522-6656617

Email: cs@takyon.co.in

Website: <https://takyon.co.in>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Our Board by a resolution on August 16, 2024 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled “*Our Management*” beginning on page 107 of this Draft Red Herring Prospectus.

Status of Investor Complaints:

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company:

We do not have any listed company under the same management.

Tax Implications:

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Special Tax Benefits*” beginning on page 73 of this Draft Red Herring Prospectus.

Purchase of Property:

Other than as disclosed in Section “*Our Business*” beginning on page 85 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

Capitalization of Reserves or Profits:

Except as disclosed under section titled “*Capital Structure*” beginning on page 51 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets:

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

Servicing Behavior:

Except as stated in this Draft, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company:

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Our Management*” beginning on page 107 and chapter titled “*Financial Information*” beginning on page 123 of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Exemption from complying with any provisions of securities laws, if any:

Our Company has not undertaken any exemption related to provision of securities law granted by SEBI.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Bid cum Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its UPI 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 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid cum Application Forms. Investor may visit the official website of the concerned 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.

Authority for the Issue

The present Public Issue of upto 37,92,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on August 13, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on August 14, 2024 in accordance with the provision of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “**Main Provisions of Article of Association**”, beginning on page 223 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “**Dividend Policy**” and “**Main Provisions of Article of Association**” beginning on page 122 and 223 respectively of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Hindi edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application

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Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled ***“Main Provisions of the Articles of Association”*** beginning on page 223 of this Draft Red Herring Prospectus.

Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated [●] between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated September 11, 2024 between CDSL, our Company and Registrar to the Issue.

Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE (SME platform of BSE) 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 [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful Applicant in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

Further in accordance with Regulation 268(1) of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSB s collected shall be unblocked within four (4) working days of closure of Issue forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Lucknow, Uttar Pradesh.

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 under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being will be offered or and sold outside the United States in compliance with Regulation S under of the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications, Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Subscription List of Public Issue

Issue Program

| Event | Indicative Dates |
|---|-------------------------|
| Bid/ Issue Opening Date | [●] ⁽¹⁾ |
| Bid/ Issue Closing Date | [●] ⁽²⁾ |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or about [●] |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or about [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or about [●] |

The above time table is indicative and does not constitute any obligation on our Company. 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 BSE SME platform is taken within Three Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

*Note*¹Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations

²Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of One Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription and Underwriting

39 of the Companies Act, 2013, if the stated minimum amount has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled **“General Information - Underwriting”** on page 42 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 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.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹ 25.00 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board; Or

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25.00 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled **“General Information - Details of the Market Making Arrangements for this Issue”** on page 42 of this Draft Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provide a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deeply discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "**Capital Structure**" beginning on page 51 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 223 of this Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (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.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The Book Running Lead Manager through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one 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.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ten crore rupees and upto twenty-five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the BSE SME i.e., SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 186 and 195 of this Draft Red Herring Prospectus.

Issue Structure:

Initial Public Issue of upto 37,92,000 Equity Shares of ₹ 10 each (the “Equity Shares”) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (“the Issue”) by the issuer Company (the “Company”).

The Issue comprises a reservation of upto 1,92,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of upto 36,00,000 Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 26.48% and 25.14%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|---|----------------------------------|--|---|---|
| Number of Equity Shares available for allocation | Upto 1,92,000 Equity Shares | Not more than [●] Equity Shares | Not less than [●] Equity Shares | Not less than [●] Equity Shares |
| Percentage of Issue available for allocation | [●] of the Issue Size | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Net Issue | Not less than 35% of the Net Issue |
| Basis of Allotment ⁽³⁾ | Firm Allotment | Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price | Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares | Proportionate basis subject to minimum allotment of [●] Equity Shares |

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| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|---|--|--|--|--|
| Mode of Allotment | Compulsorily in dematerialized form. | | | |
| Minimum Bid Size | [●] Equity Shares | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 | [●] Equity Shares |
| Maximum Bid Size | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |
| Trading Lot | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ | | | |
| Mode of Bid | Only through the ASBA process. | Only through the ASBA process. (Except for Anchor investors) | Only through the ASBA process | Through ASBA Process Through Banks or by using UPI ID for payment |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- ⁽¹⁾ *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*
- ⁽²⁾ *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*
- ⁽³⁾ *Subject to valid Bids being received at or above the Issue Price, 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 combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*
- ⁽⁴⁾ *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under– “**Issue Procedure - Bids by FPIs**” on pages 195 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

Issue Program

| Event | Indicative Dates |
|---|-------------------------|
| Bid/ Offer Opening Date | [●] ⁽¹⁾ |
| Bid/ Offer Closing Date | [●] ⁽²⁾ |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or about [●] |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or about [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or about [●] |

¹⁾ Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

²⁾ Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual Bidders.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual Bidders, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays)

ISSUE PROCEDURE

All Bidders should read the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid Cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of Confirmation of Allocation Note and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable until further notice pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("UPI Phase II"). Thereafter, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 ("T+3 Notification"). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ("SEBI RTA Master Circular") and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual bidders in initial public offerings whose Bid sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their bids. Additionally, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs ("**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. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI

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circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

Further, SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. This shall be applicable voluntarily for all public issues opening on or after September 1, 2023 and shall be mandatory for all public issues opening on or after December 1, 2023. The Draft Red Herring Prospectus has been drafted in accordance with phase II of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers. Please note that we may need to make appropriate changes in the Red Herring Prospectus and the Prospectus depending upon the prevailing conditions at the time of the opening of the Issue.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Further, our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

PART A

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 229(2) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Investors in accordance with the SEBI ICDR Regulations; and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their

respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

Bidder must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020, read with press releases dated June 25, 2021, and September 17, 2021 and March 30, 2022, read with press release dated March 28, 2023 Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN, and UPI ID, for UPI Bidders Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the issue, subject to compliance with Applicable Law.

Phased implementation of UPI

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 UPI Bidders 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. The SEBI in its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, has reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. The timeline was applicable on a voluntary basis for public issues opening on or after September 1, 2023 and has been made applicable on a mandatory basis for public issues opening on or after December 1, 2023. 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, an RIIs 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 became applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever was later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, prescribed that all individual bidders applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

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 the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**UPI Streamlining Circular**”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the

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SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹200,000 to ₹500,000 for UPI based ASBA in initial public offerings.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

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 Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the BRLM will be required to compensate the concerned investor.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

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The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category | Colour* |
|--|---------|
| Anchor Investor** | [●] |
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA) | [●] |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | [●] |

*Excluding Electronic Bid cum Application Form

** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application form to any of the following intermediaries (Collectively called-Designated Intermediaries")

| Sr. No. | Designated Intermediaries |
|---------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4. | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|---|
| For Applications submitted by Investors to SCSB | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs | After accepting the Bid cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment | After accepting the Bid cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

Availability of Draft Red Herring Prospectus and Bid cum Application Forms

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

Who can Bid?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies.

Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;

v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Bidders 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 [●] 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 Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national daily newspaper [●], all editions of Hindi national daily newspaper [●] and Regional newspaper [●] each with wide circulation where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid/ Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in –Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 195 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e., the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and

QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

Participation by Associates/ Affiliates of BRLM and the Syndicate Members

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Corporate Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus/ Prospectus and/ or the Bid Cum Application Form can obtain the same from our Corporate Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Bidders whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Bidders has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State

of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
- 1) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 2) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 3) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 4) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 5) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 6) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 7) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 8) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY ELIGIBLE NRI'S:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

BIDS BY FPI INCLUDING FII'S:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission. Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder

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on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

BIDS BY MUTUAL FUNDS:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

BIDS BY LIMITED LIABILITY PARTNERSHIPS:

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES:

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY:

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In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS / PENSION FUNDS:

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY:

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSB'S:

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders 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 Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a) In case of resident Anchor Investors: [●]
- b) In case of Non-Resident Anchor Investors: [●]
- c) Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - a) the applications accepted by them,
 - b) the applications uploaded by them
 - c) the applications accepted but not uploaded by them or
 - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| S. No. | Details* |
|--------|-------------------|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
 - Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum

Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated/ allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 P.M. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ 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 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 NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

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- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---------------------|-----------------------|----------------------------|---------------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Signing of Underwriting Agreement and Filing of Red Herring Prospectus/Prospectus with ROC

- a) Our company has entered into an Underwriting Agreement dated August 27, 2024
- b) A copy of Red Herring Prospectus/ Prospectus will be filed with the ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS:

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first Bidder is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application 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 Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other instructions for the Bidders

Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

Submission of Bids

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the Draft Red Herring Prospectus.

GROUND OFS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;

- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Draft Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Flow of Events from the closure of Bidding period (T DAY) Till Allotment:

- On T Day, RTA To validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with the mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seeks clarification from SCSB to identify the applications with third-party accounts for rejection.
- Third-party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).

- The DSE, post verification approves the basis and generates drawl of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawl numbers in their system and generates the final list of allottees as per the process mentioned below :

Process for generating the list of allottees: -

- Instruction is given by RTA in their Software System to reverse category-wise all the application numbers in ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then the system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawl of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is a proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications. On the basis of the above, the RTA will work out the allottees, partial allottees and non-allottees, prepare the fund transfer letters and advise the SCSBs to debit or unblock the respective accounts.

BASIS OF ALLOCATION

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Draft Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Red Herring Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Net Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Net Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
 - Eher QIB Bidders.
 - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- i) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- ii) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- iii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iv) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- v) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- vi) **In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the

revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

vii) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

viii) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- d) Each successful Bidder shall be allotted [●] equity shares; and
- e) The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- f) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- g) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] 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 this Draft Red Herring 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 BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

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.

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 Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com.

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

Takyon Networks Limited

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- i) Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
- ii) Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(Two) working days of the Issue Closing Date, would be ensured; and
- iii) If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who-

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

Undertakings by Our Company

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our

Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 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.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated September 11, 2024 between CDSL, the Company and the Registrar to the Issue;
- c) The Company's equity shares bear an ISIN INE14OX01013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

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

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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 foreign direct investment policy and transfer does not attract the provisions of the Takeover 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.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities 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 (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investors in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance with sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/ sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian Company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulation.

SECTION – IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in the Articles of Association were adopted pursuant to the member’s special resolution passed at the Extra Ordinary General Meeting held on August 14, 2024. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company

| INTERPRETATION | |
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| I | <p>a. In these regulations-</p> <p>b. “the Act” means the Companies Act, 2013,</p> <p>c. “the seal” means the common seal of the company.</p> <p>2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.</p> |
| SHARE CAPITAL AND VARIATION OF RIGHTS | |
| II. 1. | Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. |
| 2. | <p>Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-</p> <p>one certificate for all his shares without payment of any charges; or</p> <p>several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.</p> <p>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.</p> |
| 3. | <p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p> |
| 4. | Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. |
| 5. | <p>The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p> |
| 6. | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. |

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| | To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. |
| 7. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith. |
| 8. | Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine. |
| LIEN | |
| 9. | <p>The company shall have a first and paramount lien on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p>That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p> |
| 10. | 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- unless a sum in respect of which the lien exists is presently payable; or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. |
| 11. | <p>To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof</p> <p>The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>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.</p> |
| 12. | <p>The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>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.</p> |
| CALLS ON SHARES | |
| 13. | <p>The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>A call may be revoked or postponed at the discretion of the Board.</p> <p>That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits</p> |
| 14. | A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments. |
| 15. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. |
| 16. | <p>If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</p> <p>The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> |

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| 17. | <p>Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p> |
| 18. | <p>The Board - may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and</p> <p>upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p> |
| TRANSFER OF SHARES | |
| 19. | <p>The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> <p>That a common form of transfer shall be used</p> |
| 20. | <p>The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>any transfer of shares on which the company has a lien.</p> |
| 21. | <p>The Board may decline to recognise any instrument of transfer unless—</p> <p>the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>the instrument of transfer is in respect of only one class of shares.</p> <p>That registration of 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 Issuer on any account whatsoever</p> |
| 22. | <p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p> |
| TRANSMISSION OF SHARES | |
| 23. | <p>On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares</p> <p>Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> <p>That a common form of transmission shall be used</p> |
| 24. | <p>Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-</p> <p>to be registered himself as holder of the share; or</p> <p>to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> |
| 25. | <p>If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> |

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| | All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. |
| 26. | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. |
| FORFEITURE OF SHARES | |
| 27. | If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued. |
| 28. | The notice aforesaid shall- name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. |
| 29. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. |
| 30. | A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. |
| 31. | A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares. |
| 32. | A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; The transferee shall thereupon be registered as the holder of the share; and The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. |
| 33. | The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |
| ALTERATION OF CAPITAL | |
| 34. | The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. |
| 35. | Subject to the provisions of section 61, the company may, by ordinary resolution- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. Permission for sub-division/ consolidation of share certificates |
| 36. | Where shares are converted into stock,— |

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| | <p>the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.</p> |
| 37. | <p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-</p> <p>it share capital;</p> <p>any capital redemption reserve account; or</p> <p>any share premium account.</p> |
| CAPITALISATION OF PROFITS | |
| 38. | <p>The company in general meeting may, upon the recommendation of the Board, resolve-</p> <p>that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and</p> <p>that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-</p> <p>paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p> |
| 39. | <p>Whenever such a resolution as aforesaid shall have been passed, the Board shall-</p> <p>make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>generally do all acts and things required to give effect thereto.</p> <p>The Board shall have power-</p> <p>to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>Any agreement made under such authority shall be effective and binding on such members</p> |
| BUY-BACK OF SHARES | |
| 40. | <p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p> |
| GENERAL MEETINGS | |
| 41. | <p>All general meetings other than annual general meeting shall be called extraordinary general meeting.</p> |
| 42. | <p>The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> |

| PROCEEDINGS AT GENERAL MEETINGS | |
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| 43. | <p>No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p> |
| 44. | The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. |
| 45. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. |
| 46. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting. |
| ADJOURNMENT OF MEETING | |
| 47. | <p>The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> |
| VOTING RIGHTS | |
| 48. | <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person shall have one vote;</p> <p>and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> <p>That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings</p> |
| 49. | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. |
| 50. | <p>In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> |
| 51. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. |
| 52. | Any business other than that upon which a poll has been demanded maybe proceed with, pending the taking of the poll. |
| 53. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid |
| 54. | <p>No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p> |
| PROXY | |
| 55. | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. |
| 56. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 |
| 57. | <p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> |
| BOARD OF DIRECTORS | |

Takyon Networks Limited

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| 58. | <p>The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:</p> <p>NEERAJ KUMAR MANISH KUMAR SHARMA</p> |
| 59. | <p>The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or in connection with the business of the company.</p> |
| 60. | The Board may pay all expenses incurred in getting up and registering the company. |
| 61. | The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. |
| 62. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. |
| 63. | Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose. |
| 64. | <p>Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p> |
| PROCEEDINGS OF THE BOARD | |
| 65. | <p>The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> |
| 66. | <p>Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p> |
| 67. | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose. |
| 68. | <p>The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p> |
| 69. | <p>The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p> |
| 70. | <p>A committee may elect a Chairperson of its meetings.</p> <p>If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p> |
| 71. | <p>A committee may meet and adjourn as it thinks fit.</p> <p>Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p> |
| 72. | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. |

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| 73. | Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held. |
| CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER | |
| 74. | Subject to the provisions of the Act, A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; A director may be appointed as chief executive officer, manager, company secretary or chief financial officer |
| 75. | A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer. |
| THE SEAL | |
| 76. | The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. |
| DIVIDENDS AND RESERVE | |
| 77. | The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. |
| 78. | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. |
| 79. | The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. |
| 80. | Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law. |
| 81. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. |
| 82. | Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| 83. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. |
| 84. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. |
| 85. | No dividend shall bear interest against the company. |
| ACCOUNTS | |
| 86. | The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. |

Takyon Networks Limited

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| | No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting. |
| WINDING UP | |
| 87. | <p>Subject to the provisions of Chapter XX of the Act and rules made thereunder-</p> <p>If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> |
| INDEMNITY | |
| 88. | Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal. |
| OTHERS | |
| 89. | Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time. |

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the corporate office between 10 A.M. and 5 P.M. on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

Material Contracts

1. Agreement dated August 27, 2024 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated September 02, 2024 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated August 27, 2024 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated August 27, 2024 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated [●] between our Company, Book Running Lead Manager and Registrar to the Issue and Syndicate Members
7. Tripartite Agreement dated September 11, 2024 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated [●] among NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated May 12, 2015 issued by the Registrar of Companies, Kanpur.
3. Fresh Certificate of Incorporation Consequent to conversion into public limited dated August 07, 2024 issued by the Registrar of Companies, CPC.
4. Copy of the Board Resolution dated August 13, 2024 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated August 14, 2024 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
7. Statutory Auditors Report dated September 11, 2024 on the Restated Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
8. Copy of the Statement of Special Tax Benefits dated September 13, 2024 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated September 13, 2024.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated September 24, 2024 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated September 24, 2024.
13. Approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Limited.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Manish Kumar Sharma Chairman & Managing Director DIN: 01397817 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Neeraj Kumar CEO & Whole Time Director DIN: 01397836 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Nikhil Laxman Buran Executive Director DIN: 09072690 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
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| Paresh Goyal Executive Director DIN: 09072777 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
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| Swati Singh Independent Director DIN: 10662244 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Ashwani Jaiswal Independent Director DIN: 07186241 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Sarita Paswan Independent Director DIN: 10740183 | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Vivek Singh Chief Financial Officer | Sd/- |

Date: September 24, 2024

Place: Lucknow

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Pooja Sharma Company Secretary & Compliance Officer | Sd/- |

Date: September 24, 2024

Place: Lucknow