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APEX ECOTECH LIMITED

(Formerly known as Apex Ecotech Private Limited)

Corporate Identification Number: U29299PN2009PLC133737

| Registered Office | Corporate Office | Contact Person | Email and Telephone | Website |
|--|---|--|---|---------------------|
| Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pimpri Waghire, Pune, -411017, Maharashtra, India, | Plot No. 3, First Floor. 2 West End Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi, Delhi, India- 110030 | Ms. Kirti Jain Company Secretary & Compliance Officer | Email id: info@apexecotech.com Tel no: +91-9999654360 | www.apexecotech.com |

PROMOTERS OF THE COMPANY: MR. ANUJ DOSAJH, MR. RAMAKRISHNAN BALASUNDARAM AIYER, MR. AJAY RAINA AND MR. LALIT MOHAN DATTA

DETAILS OF THE ISSUE

| Type | Fresh Issue Size (In ₹ Lakhs) | OFS Size (In ₹ Lakhs) | Total Issue Size (In ₹ Lakhs) | Eligibility |
|-------------|--|--------------------------|----------------------------------|--|
| Fresh Issue | Up to 35,00,000 Equity Shares amounting to ₹ [●] | Not applicable | [●] | THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229(2) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. |

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION: NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10.00 each. The Floor Price, Cap Price and Issue Price is [●] times of the face value of the Equity Shares. The Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager) as stated in “Basis for Issue Price” on page 95 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 24 of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that 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 Emerge Platform of National Stock Exchange of India Limited (NSE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received ‘In-Principle’ approvals from NSE for the listing of the Equity Shares pursuant to letters dated [●]. For the purposes of the Issue, the Designated Stock Exchange shall be NSE.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|--|------------------|---|
|  Share India <i>You generate, we multiply</i> Share India Capital Services Private Limited | Mr. Kunal Bansal | Email: kunal.bansal@shareindia.co.in Tel. No.: +91-1204910000 |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|---|-----------------------|--|
|  KFin Technologies Limited | Mr. M. Murali Krishna | Email: apex.ipo@kfintech.com Telephone No.: +91-40 6716 2222 |

ISSUE PROGRAMME

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



APEX ECOTECH LIMITED

(Formerly known as Apex Ecotech Private Limited)

Corporate Identification Number: U29299PN2009PLC133737

Our Company was incorporated as Apex Ecotech Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 01, 2009, in Maharashtra- Pune. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024 and the name of our Company was changed from "Apex Ecotech Private Limited" to "Apex Ecotech Limited" vide a fresh Certificate of Incorporation dated July 02, 2024 having CIN U29299PN2009PLC133737 issued by the Registrar of Companies, Central Processing Centre. The registered office of our company is situated at Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune-411017, Maharashtra, India. For further details, please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 151 of this Draft Red Herring Prospectus.

Registered Office: Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pimpri Waghere, Pune -411017 Maharashtra, India,

Corporate Office: Plot No. 3, First Floor, 2 West End Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi, Delhi, India- 110030,

Contact Person: Ms. Kirti Jain. **Email Id:** info@apexecotech.com, **Tel No:** +91-9175903484; **Website:** www.apexecotech.com

PROMOTERS OF OUR COMPANY: MR. ANUJ DOSAJH, MR. RAMAKRISHNAN BALASUNDARAM AIYER, MR. AJAY RAINA AND MR. LALIT MOHAN DATTA

DETAILS OF THE ISSUE

INITIAL PUBLIC ISSUE OF UP TO 35,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH ("EQUITY SHARES") OF APEX ECOTECH LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS ("THE ISSUE") OF WHICH UP TO 2,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UP TO 33,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.54% AND 25.02% 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 [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITION OF [●], A MARATHI REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA 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 EMERGE PLATFORM OF NSE ("NSE EMERGE") 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 extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock 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 Manager, may 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 utilise 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 260 of this Draft Red Herring Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 260 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10.00. The Floor Price, Cap Price and Issue Price 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 95 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active 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 taking 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 24 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 factors, 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 Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (NSE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received 'in-principle' approvals from NSE for the listing of the Equity Shares pursuant to letters dated [●]. For the purposes of the Issue, the Designated Stock Exchange shall be NSE.

BOOK RUNNING LEAD MANAGER TO THE ISSUE



SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED

Address: A-15, Basement, Sector-64, Gautam Buddha Nagar, Noida – 201301, Uttar Pradesh, India

Tel No.: +91-120-4910000

Fax No.: N.A.

Email: kunal.bansal@shareindia.co.in

Contact Person: Mr. Kunal Bansal

Website: www.shareindia.com

SEBI Registration No.: INM000012537

CIN: U65923UP2016PTC075987

REGISTRAR TO THE ISSUE



KFIN TECHNOLOGIES LIMITED

Address: Selenium Tower-B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi, Telangana, Hyderabad – 500032, India

Tel No.: +91 40 6716 2222/ 1800 309 4001

Email: apex.ipo@kfintech.com

Fax No.: + 91 40 67161563

Contact Person: Mr. M.Murali Krishna

Website: www.kfintech.com

SEBI Registration No.: INR000000221

CIN: L72400TG2017PLC117649

ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]

ISSUE OPENS ON: [●]

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.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statement as Restated”, “Outstanding Litigation and Other Material Developments”, will have the meaning as described to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

General Terms

| Term | Description |
|--|--|
| “Apex Ecotech”, “Apex”, “We” or “us” or “our Company” or “the Issuer” or “the Company” | Unless the context otherwise requires, refers to Apex Ecotech Limited (Formerly Known as Apex Ecotech Private Limited) a company incorporated under the Companies Act, 1956 and complied the amended Companies Act 2013, vide Corporate Identification Number U29299PN2009PLC133737 and having registered office at Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pimpri Waghire, Pune-411017, Maharashtra, India, |
| “we”, “us”, or “our” | Unless the context otherwise indicates or implies, refers to our Company. |
| Promoters | Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina, and Mr. Lalit Mohan Datta. |
| Promoter Group | Mrs. Poonam Dosajh, Mrs. Monica Bhat, Mrs. Asha Aiyer, and Mrs. Ruby Datta. |

Company Related Terms

| Terms | Description |
|---|--|
| Articles / Articles of Association AOA | The Articles/ 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 is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled “Our Management” on page 156 of this Draft Red Herring Prospectus. |
| Auditor/ Statutory Auditor/ Peer Review Auditor | Statutory and peer review auditor of our Company, namely, M/s. Raman Chawla and Associates, Chartered Accountants. |
| Board of Directors / Board/ Director(s) | Board of Directors of our company or a duly constituted committee thereof. |

| Terms | Description |
|---|--|
| Central Registration Centre (CRC) | It's an initiative of Ministry of Corporate Affairs (MCA) in Government Process Reengineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details, please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html |
| Chairman | The Chairman of our Board of Directors. |
| Companies Act | The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed. |
| Company Secretary and Compliance Officer | Ms. Kirti Jain the Company Secretary and the Compliance Officer of our Company. |
| Chief Financial Officer/ CFO | Mr. Rakesh Kaul, Chief Financial Officer of our Company. |
| Corporate office | Plot No. 3, First Floor. 2 West End Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi -110030, India, |
| Depositories Act | The Depositories Act, 1956, as amended from time to time. |
| Director(s) | The director(s) on the Board of our Company as described in “Our Management” beginning on 156 of this Draft Red Herring Prospectus |
| Equity Shares | Equity shares of our Company of face value of ₹ 10 each. |
| Equity Shareholders | Persons holding equity shares of our Company. |
| Executive Directors | The whole-time directors/ Executive directors on our Board |
| Group Companies | In terms of SEBI ICDR Regulations, the term 'group companies' include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable Accounting Standards and also other companies as are considered material by the Board and such other companies as considered material by our Board in accordance with the Materiality Policy, and as identified in “Our Group Companies” beginning on 182 of this Draft Red Herring Prospectus. |
| Independent Director(s) | The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013. |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| ISIN | International Securities Identification Number, i.e. INE0T4V01015. |
| Key Managerial Personnel / KMP | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in “Our Management” beginning on 156 of this Draft Red Herring Prospectus. |
| Materiality Policy | The policy adopted by our Board on July 18, 2024, for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations. |
| MOA/Memorandum of Association | Memorandum of Association of our company, as amended from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board, as described in “Our Management” beginning on 156 of this Draft Red Herring Prospectus. |
| Non-Executive Directors | Non-Executive Director(s) of our Company. |
| 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 |

| Terms | Description |
|--|--|
| | validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Promoters | The promoters of our Company, namely Mr. Anuj Dosajh, Mr. Ajay Raina, Mr. Ramakrishnan Balasundaram Aiyer, and Mr. Lalit Mohan Datta as disclosed in “Our Promoters” beginning on page 175 of this Draft Red Herring Prospectus. |
| Promoters Group | The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. For details, see “Our Promoter Group” on page 180 of this Draft Red Herring Prospectus |
| Registered Office | The registered office of our Company situated at Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pimpri Waghere, Pune-411017, Maharashtra, India. |
| Registrar of Companies/ RoC | The Registrar of Companies, Maharashtra -Pune, situated at PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411044, Maharashtra, India. |
| Restated Financial Information / Restated Financial Statement | Restated financial statements of our Company for the financial year ended March 31, 2024, March 31, 2023; and March 31, 2022 prepared in accordance with Indian GAAP and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see “Financial Statements as Restated” on page 185 of this Draft Red Herring Prospectus. |
| SME Exchange | A trading platform of a recognized stock exchange having nationwide trading terminals permitted by SEBI to list the specified securities issued in accordance with the SEBI ICDR Regulations and includes stock exchange granted recognition for this purpose but does not include the Main Board. |
| SEBI | Securities and Exchange Board of India, constituted under the SEBI Act, 1992. |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time. |
| SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. |
| SEBI (LODR) Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. |
| SEBI (Takeover) Regulations | SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time. |
| Stakeholders’ Relationship Committee | The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “Our Management” on page 156 of this Draft Red Herring Prospectus. |
| Whole-time Director | Whole-Time Director. |

Issue Related Terms

| Terms | Description |
|-----------------------------------|---|
| Abridged Prospectus | Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form. |
| Acknowledgement Slip | The slip or document issued by a Designated Intermediary(ies) to an applicant as proof of registration of the Bid cum Application Form |
| Allotment/ Allot/ Allotted | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants. |
| Allotment Advice | A note or advice or intimation of Allotment sent to the Successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | The successful applicant to whom the Equity Shares are being / have been allotted. |

| | |
|--|---|
| Applicant / Investor | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus. |
| Application Form | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue. |
| Application Amount | The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the applicants on submission of the Application Form. |
| ASBA/ Application Supported by Blocked Amount | An application (whether physical or electronic) by an ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include application made by RIIs using the UPI mechanism, Where the application amount will be blocked upon acceptance of UPI mandate Request by RIIs. |
| ASBA Account | A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder. |
| ASBA Applicant(s) | Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable). |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Applicants to submit Application through the ASBA process, which will be considered as the application for the Allotment in terms of this Draft Red Herring Prospectus. |
| Banker(s) to the Issue/ Refund Bank | Collectively, the Escrow Collection Bank (s), Refund Bank(s), Public Issue Account Bank(s) and the Sponsor Bank. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on 260 of this Draft Red Herring Prospectus. |
| Broker Centers | Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of the National Stock Exchange of India Limited on the following link www.nseindia.com |
| Business Day | Monday to Friday (Except public holidays) |
| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange |
| Collecting Depository Participant(s)/ CDP(s) | 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, as per the list available on the website of NSE, as updated from time to time (www.nseindia.com). |
| Circular on streamlining of Public Issues/ UPI Circular | Circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 amended by circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and any subsequent circulars issued by SEBI in this regard. |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to Demat account |



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| Controlling Branches of SCSBs | Such branches of SCSBs which coordinate Applications under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as Applicant's address, PAN, Occupation, bank account details and UPI ID (if applicable) |
| Depository / Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. (www.nseindia.com) |
| Designated Date | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue. |
| Designated Intermediaries | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue. |
| Designated RTA Locations | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange and updated from time to time (www.nseindia.com) |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other website as may be prescribed by SEBI from time to time. |
| DP ID | Depository Participant's Identity Number. |
| Designated Stock Exchange | NSE- Emerge i.e. SME platform of National Stock Exchange of India Limited. |
| Designated Market Maker | Share India Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations. |
| Draft Red Herring Prospectus/DRHP | This Draft Red Herring Prospectus dated July 29, 2024, filed with Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Issue, including the price at which the Equity Shares are issued and the size of the Issue, and includes any addenda or corrigenda thereto |
| Eligible NRIs | NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares. |

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| Eligible FPIs | FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares issued thereby. |
| Escrow Account | The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid. |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| Escrow Agent | [●] |
| Escrow Collection Bank | The Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof. |
| Fresh Issue | Fresh Issue of up to 35,00,000 Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of [●] per Equity Share) aggregating to ₹ [●] lakhs. |
| 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 Price will be finalized and below which no bids, will be accepted and which shall not be less than the face value of the Equity Shares |
| General Information Document/ GID | The General Information Document for investing in public issues, prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the website of the Stock Exchange and Book Running Lead Manager. |
| Gross proceeds | The total Issue proceeds to be raised pursuant to the Issue. |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so specified towards 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. |
| Issue Size/ Issue | The issuance of up to 35,00,000 Equity Shares at ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to ₹ [●] lakhs by our Company. |
| Issue Agreement | The agreement dated July 12, 2024, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Opening Date | The date on which Issue opens for subscription. |
| Issue Closing Date | The date on which Issue closes for subscription. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application. |
| Issue Price | The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor |

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| | Offer Price, which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus. |
| Issue Proceeds | The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “Objects of the Issue” on 85. |
| LM / Lead Manager | The lead manager to the Issue, being Share India Capital Services Private Limited. |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement signed between our Company and the National Stock Exchange of India Limited. |
| Lot Size | The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants. |
| Market Maker | Market Makers of the Company, in this case being Share India Securities Limited who has agreed to receive or deliver the specified securities in the market making process for a period of 3 (three) years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time. |
| Market Making Agreement | The Agreement among the Market Maker, the Lead Manager and our Company dated Share India Securities Limited. |
| Market Maker Reservation Portion | The Reserved portion of 200,000 Equity shares of ₹ 10/- each at an Issue Price of ₹ [●] aggregating to ₹ [●] for Designated Market Maker in the Public Issue of our Company. |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Net Proceeds | The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled — “Objects of the Issue” beginning on 85 of this Draft Red Herring Prospectus. |
| Non-Institutional Applicants/ Investors | All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000. |
| Non-Resident/ NR | A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs. |
| Prospectus | The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Public Issue Account | Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date. |
| Public Issue Account Bank | A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●]. |
| Qualified Institutional Buyers / QIBs | Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Registered Brokers | Stockbrokers registered with the stock exchanges having nationwide terminals, other than the member of the Syndicate |
| Registrar to the Issue/ RTA/ Registrar Agreement | The registrar agreement July 25, 2024, 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 |
| Registrar to the Issue / Registrar | Registrar to the Issue being KFin Technologies Limited |

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| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Revision Form | Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date. |
| SCSB/ Self-certified syndicate Banks | The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed by SEBI from time to time Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time |
| Sponsor Bank | A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]. |
| Underwriter | Underwriter to this Issue is Share India Capital Services Private Limited. |
| Underwriting Agreement | The agreement dated July 12, 2024, entered into between Share India Capital Services Private Limited and our Company. |
| Unified Payments Interface or UPI | Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account. |
| UPI | Unified Payments Interface. |
| Wilful Defaulter | A Company or person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such. |
| Working Days | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of the Issue Price; and (b) Issue Period, Term Description the term Working Day |



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| | shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) 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 the circulars issued by SEBI, including the UPI Circulars. |
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Conventional Terms / General Terms / Abbreviations

| Abbreviation | Full Form |
|---------------------------|--|
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| Authorised Dealers | Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 |
| AY | Assessment Year |
| BRLM | Book Running Lead Manager |
| BIFR | Board for Industrial and Financial Reconstruction |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970. |
| Companies Act | Companies Act, 1956 and / or the Companies Act, 2013 as applicable |
| Companies Act 1956 | Companies Act, 1956, and the rules there under (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| Companies Act 2013 | Companies Act, 2013, read with the rules, regulations, clarifications and modifications there under. |
| CSR | Corporate Social Responsibility |
| Depository(ies) | NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP ID | Depository Participant’s Identity Number |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EPS | Earning Per Share |
| EGM/ EoGM | Extraordinary General Meeting |
| EPF Act | Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 |
| ESI Act | Employees’ State Insurance Act, 1948 |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended. |

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|--------------------------------------|---|
| FY / Fiscal/Financial Year | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. |
| GAAR | General Anti-Avoidance Rules |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Ind AS Rules | Companies (Indian Accounting Standards) Rules, 2015, as amended |
| India | Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| INR or Rs. or ₹ Indian Rupees | Indian Rupee, the official currency of the Republic of India. |
| ICSI | Institute of Company Secretaries of India |
| IPO | Initial Public Offer |
| IRDAI | Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999 |
| IRR | Internal Rate of Return |
| IST | Indian Standard Time |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016 |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| KPI | Key performance indicator |
| Lacs | Lakhs |
| MCA | Ministry of Corporate Affairs |
| Mn/mn | Million |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MoF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Fund Transfer |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | Overseas Corporate Bodies |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |



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|-----------------------------------|---|
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| RBI | The Reserve Bank of India |
| RTI | Right to Information, in terms of the Right to Information Act, 2005 |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| Sec. | Section |
| STT | Securities Transaction Tax |
| US/United States/USA | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| US GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCF / Venture Capital Fund | 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 |
| w.e.f | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve-month period ending December 31 |

Industry Related Terms

| Term | Description |
|------------------|---|
| AE | Advanced Economies |
| GDP | Gross Domestic Product |
| AAI | Airport Authority of India |
| BOQ | Bill of Quantities |
| CAD | Current Account Deficit |
| CDP | Collecting Depository Participant |
| GDP | Gross Domestic Product |
| IMF | International Monetary Fund |
| MSME | Micro, Small, and Medium Enterprises |
| MoSPI | Ministry of Statistics and Programme Implementation |
| ECLGS | Emergency Credit Linked Guarantee Scheme |
| Capex | Capital Expenditure |
| PLI | Production-Linked Incentive |
| NSO | National Statistical Office |
| CPI | Consumer Price Index |
| CPI-C | Consumer Price Index for Combined |
| CFPI | Consumer Food Price Index |
| CMIE | Centre for Monitoring Indian Economy |
| PM-DevINE | Prime Minister's Development Initiative for North-East Region |
| GoI | Government of India |
| AAJ | Antodaya Ann Yojna |
| PHH | Primary Household |
| NIP | National Infrastructure Pipeline |
| PMGKAY | Pradhan Mantri Garib Kalyan Ann Yojana |
| CAGR | Compound Annual Growth Rate |
| IIT | Indian Institute of Technology |
| UK | United Kingdom |

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|------|----------------------|
| US\$ | United States Dollar |
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Business Related Terms or Abbreviations

| Term | Description |
|----------------|---|
| 3D | Three Dimensional |
| AMRUT | Atal Mission for Rejuvenation and Urban Transformation |
| ASP | Activated Sludge Process |
| AVF | Automatic Variable Filtration |
| BCM | Billion Cubic Meters |
| BIS | Bureau of Indian Standards |
| BOQ | Bill of Quantities |
| CETP | Common Effluent Treatment Plants |
| CPCB | Central Pollution Control Board |
| DAS | Diffused Aeration System |
| DBFOT | Design, Build, Finance, Operate and Transfer |
| DDWS | Department of Drinking Water & Sanitation |
| DWSC | District Water and Sanitation Committee |
| EFOM | Effluent Organic Matter |
| EPC | Engineering Procurement and Construction |
| EPCM | Engineering Procurement Construction Management |
| ESG | Environmental, Social, and Corporate Governance |
| ETP | Effluent Treatment Plant |
| FMCG | Fast Moving Consumer Goods |
| GAD | General Arrangement Drawing |
| MBR | Membrane Bioreactor |
| MBBR | Moving Bed Biological Reactor |
| MODWS | The Ministry of Drinking Water and Sanitation |
| NCIWRD | National Commission for Integrated Water Resource Development |
| RFP | Request for Proposal |
| OMT | Operate Maintain and Transfer |
| O&M | Operation and maintenance |
| PMT | Project Management Team |
| PVC | Poly Vinyl Chloride |
| RFP | Request for Proposal |
| RO | Reverse Osmosis |
| STPs | Sewage Treatment Plants |
| TDS | Total Dissolved Solids |
| TSS | Total Suspended Solids |
| WTPs | Water Treatment Plants |
| WWTPs | Water and Wastewater Treatment Plants |
| ZLD | Zero Liquid Discharge |

Notwithstanding the foregoing, terms in “Main Provision of Articles of Association”, “Statement of possible Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statement as Restated”, “Outstanding Litigation and Material Developments” and “Issue Procedure” on pages 260 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. In this Draft Red Herring Prospectus, our Company has presented numerical information in "lakhs" units. One lakh represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Statements, as Restated' beginning on 185 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this 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 and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Statements, as Restated' beginning on page 185 of this Draft Red Herring Prospectus.



Currency and units of presentation

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

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. The meaningful interpretation of the data depends on the reader's familiarity with data compilation methodologies. In our industry, there are no standard data gathering methods, and methodologies may vary among different sources.

Definitions

For definitions, please refer the chapter titled “Definitions and Abbreviations” beginning on page 02 of this Draft Red Herring Prospectus. In the section titled “Main Provisions of the Articles of Association” beginning on page 306 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

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FORWARD LOOKING STATEMENTS

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

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

- Inability to comply with and changes in, safety, health, environmental and labour laws and other applicable regulations;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Our business is directly and significantly dependent on Industrial Water Treatment, Wastewater/Effluent Treatment, Sewage Treatment, Zero Liquid Discharge projects and derive our revenues from the contracts awarded to us. While these sectors have historically provided a robust foundation for our revenue streams, it's essential to recognize that our business can be affected by various factors, including but not limited to regulatory changes, technological advancements, economic fluctuations, and shifts in market preferences;
- Loss of employee(s) responsible for in-house designing, engineering and construction may have an adverse effect on the execution of our projects;
- Not expanding the scale of our projects and failing to meet pre-qualification criteria may affect our growth opportunities;
- Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition results of operations, and prospects.

For a further discussion of factors that could cause our actual results to differ from our estimates and expectations, please refer to the chapters titled 'Risk Factors', 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 24, 122, 211 respectively.

We cannot assure 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 as a guarantee of our future performance.



Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs, assumptions, current plans, estimates and expectations, 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.

Neither our Company, our Directors, our Promoter, the Book Running Lead Manager nor any of their respective affiliates or advisors 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 the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Issue from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

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SECTION II - SUMMARY OF ISSUE DOCUMENTS

SUMMARY OF OUR BUSINESS

Our Company, Apex Ecotech Limited (formerly known as Apex Ecotech Private Limited), led by a team of engineering professionals, offers comprehensive solutions for water & wastewater management. Our integrated system solutions cover a wide range of services including Industrial Water Treatment, Wastewater/ Effluent Treatment, Sewage Treatment, Zero Liquid Discharge. Our Company is involved in distributing a sustainable and cost-effective solution for water purification and water desalination system.

At Apex Ecotech Limited, we specialize in delivering turnkey projects in the field of water & wastewater treatment, offering efficient solutions for wastewater recycling and zero liquid discharge (ZLD) systems. Our Company provides end-to-end EPC solutions to the client by offering comprehensive scope involving designing, supplying, installation, testing, commissioning and O&M services.

Our offices are located at:

| | |
|--------------------------|--|
| Registered Office | Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017, India |
| Corporate office | Plot No.3, First Floor, 2 Westend Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi-110030 |

For more details, please refer chapter titled “Our Business” beginning on page no. 122 of this Draft Red Herring Prospectus.

SUMMARY OF INDUSTRY OVERVIEW IN WHICH COMPANY IS OPERATING

WASTEWATER

Most human activities that use water produce wastewater. As the overall demand for water grows, the quantity of wastewater produced and its overall pollution load are continuously increasing worldwide. In all but mostly in least developed countries, the vast majority of wastewater is released directly to the environment without adequate treatment, with detrimental impacts on human health, economic productivity, the quality of ambient freshwater resources, and ecosystems.

Although wastewater is a critical component of the water management cycle, water after it has been used is all too often seen as a burden to be disposed of or a nuisance to be ignored. The results of this neglect are now obvious. The immediate impacts, including the degradation of aquatic ecosystems and waterborne illness from contaminated freshwater supplies, have far-reaching implications on the well-being of communities and peoples’ livelihoods. Continued failure to address wastewater as a major social and environmental problem would compromise other efforts towards achieving the 2030 Agenda for Sustainable Development.

WASTE WATER IN NUMBERS

Recently, few global studies have been carried out to estimate the wastewater volumes and make predictions for the future. For example, Qadir et al. (2020) estimated that 380 billion m³ of wastewater is generated annually across the world. Based on the rate of population growth and urbanization, the daily wastewater generated is expected to increase by 24% (470 billion m³) by the end of the SDG era in 2030 and 51% (574 billion m³) by 2050 over the current estimates. It is to be noted that, among the global regions, Asia generated the largest volumes of wastewater representing 42% (159 billion m³) of the

wastewater globally. It is expected that by 2030 there will be an increase in the wastewater generation to 44%, and hence needs attention.

For more details, please refer chapter titled “Industry Overview” beginning on page no. 106 of this Draft Red Herring Prospectus.

NAME OF PROMOTER

Promoters of our Company are Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina and Mr. Lalit Mohan Datta. For detailed information on our Promoters, please refer to Chapter titled “Our Promoters” on page 175 of this Draft Red Herring Prospectus.

ISSUE SIZE

The Issue size comprises of issuance of up to 35,00,000 Equity Shares of face value of ₹ 10/- each fully paid-up of the Company for cash at price of ₹ [●]/-per Equity Share (including premium of ₹ [●]/- per Equity Share) aggregating ₹ [●]/- Lakhs.

OBJECTS OF THE ISSUE

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

| S. No. | Particulars | Amount (in ₹ Lakh)* |
|--------------|---|---------------------|
| 1. | To meet the Working Capital Requirements of our Company | 1,700.00 |
| 2. | To meet Public issue expenses | [●] |
| 3. | General Corporate Purposes ⁽¹⁾ | [●] |
| Total | | [●] |

(1) The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

* To be finalised on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

For more details, please refer chapter titled “Object of the issue” beginning on page no. 85 of this Draft Red Herring Prospectus.

PRE AND POST ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP

| Sr. No. | Name of Shareholders | Pre- Issue | | Post Issue | |
|-----------------------|---------------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | | No. of equity shares | As a % of Issued Capital | No. of equity shares | As a % of Issued Capital |
| Promoters | | | | | |
| 1 | Anuj Dosajh | 27,59,070 | 28.49% | 27,59,070 | 20.92% |
| 2 | Ramakrishnan Balasundaram Aiyer | 27,59,070 | 28.49% | 27,59,070 | 20.92% |
| 3 | Ajay Raina | 18,08,530 | 18.67% | 18,08,530 | 13.72% |
| 4 | Lalit Mohan Datta | 18,08,930 | 18.68% | 18,08,930 | 13.72% |
| Sub Total | | 91,35,600 | 94.32% | 91,35,600 | 69.28% |
| Promoter Group | | | | | |
| 5 | Poonam Dosajh | 100 | 0.00% | 100 | 0.00% |
| 6 | Monica Bhat | 100 | 0.00% | 100 | 0.00% |
| 7 | Asha Aiyer | 100 | 0.00% | 100 | 0.00% |
| 8 | Ruby Datta | 100 | 0.00% | 100 | 0.00% |
| Sub Total | | 400 | 0.00% | 400 | 0.00% |



| | | | | |
|--------------|------------------|---------------|------------------|---------------|
| Total | 91,36,000 | 94.32% | 91,36,000 | 69.28% |
|--------------|------------------|---------------|------------------|---------------|

FINANCIAL DETAILS

As per the restated Financial Statements

(Amount in ₹ Lakhs, except per share)

| Particulars | For the year ended March 31 | | |
|--|-----------------------------|----------|----------|
| | 2024 | 2023 | 2022 |
| Share Capital | 96.86 | 91.36 | 91.36 |
| Reserves & Surplus | 1,376.70 | 631.16 | 279.07 |
| Net Worth | 1,473.56 | 722.52 | 370.43 |
| Revenue from Operations | 5,308.09 | 3,457.38 | 1,951.18 |
| Profit after Tax | 663.04 | 352.10 | (65.86) |
| Earning per share - Basic & Diluted (Post Bonus) | 7.25 | 3.85 | (0.72) |
| NAV per Equity Share (Post Bonus) | 16.11 | 7.91 | 4.05 |
| Total Borrowings (As per Balance Sheet) (Including Current Maturity of Long-Term Debt) | 42.13 | 58.24 | 110.10 |

QUALIFICATIONS OF AUDITORS

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

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

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

| Name | By/ Against | Civil Proceedings | Criminal Proceedings | Tax Proceedings | Amount Involved in ₹ lakhs* |
|--------------------------------|----------------|----------------------|-------------------------|--------------------|-----------------------------------|
| Company | By | 3 | NIL | NIL | 55.34 |
| | Against | 3 | NIL | 4 | 15.23 |
| Promoters | By | NIL | NIL | NIL | NIL |
| | Against | NIL | NIL | NIL | NIL |
| Group Companies | By | NIL | NIL | NIL | NIL |
| | Against | NIL | NIL | NIL | NIL |
| Directors other than Promoters | By | NIL | NIL | NIL | NIL |
| | Against | NIL | NIL | 1 | NIL |

*It includes the notices issued for defaulting in filing returns and which is still outstanding as of the date of this Draft Red Herring Prospectus.

There are some material litigations involved against the company. For more details, please refer chapter titled "Outstanding Litigations & Material Developments" beginning on page no. 223 of this Draft Red Herring Prospectus.

RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Issue Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this issue Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 24 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Red Herring Prospectus there is no contingent liability on the Company, except as stated below:

| Particulars | For the year ended March 31 | | |
|---|-----------------------------|------|-------|
| | 2024 | 2023 | 2022 |
| Interest on late payment to Disputed MSME Creditors | 12.29 | 9.77 | 12.59 |

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of Related Party Transaction please refer chapter titled Note 22 on page no. 202 of this Draft Red Herring Prospectus.

FINANCING ARRANGEMENTS

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

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

| Name of shareholders | No. of Equity Shares acquired in the last one year from the date of this Draft Red Herring Prospectus | Weighted Average cost of Acquisition (in ₹) |
|-------------------------------------|---|---|
| Mr. Anuj Dosajh | 24,83,163 | Nil |
| Mr. Ramakrishnan Balasundaram Aiyer | 24,83,163 | Nil |
| Mr. Ajay Raina | 16,27,677 | Nil |
| Mr. Lalit Mohan Datta | 16,28,037 | Nil |

AVERAGE COST OF ACQUISITION

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



| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in ₹) |
|-------------------------------------|--------------------|------------------------------------|
| Mr. Anuj Dosajh | 27,59,070 | 1.00 |
| Mr. Ramakrishnan Balasundaram Aiyer | 27,59,070 | 1.00 |
| Mr. Ajay Raina | 18,08,530 | 1.00 |
| Mr. Lalit Mohan Datta | 18,08,930 | 1.00 |

DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except stated below, our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Red Herring Prospectus.

| Sr. No. | Name of Person | Nos. of shares allotted | Face Value (in ₹) | Issue Price (in ₹) | Date of Allotment | Reason for Allotment | Benefit occurred to Issue |
|---------|---|-------------------------|-------------------|--------------------|-------------------|----------------------|---------------------------|
| 1. | Anuj Dosajh | 24,83,163 | 10.00 | Nil | 18.07.2024 | Bonus Issue | Capitalisation of Reserve |
| 2. | Ramakrishnan Balasundaram Aiyer | 24,83,163 | 10.00 | | | | |
| 3. | Ajay Raina | 16,27,677 | 10.00 | | | | |
| 4. | Lalit Mohan Datta | 16,28,037 | 10.00 | | | | |
| 5. | Poonam Dosajh | 90 | 10.00 | | | | |
| 6. | Monica Bhat | 90 | 10.00 | | | | |
| 7. | Asha Aiyer | 90 | 10.00 | | | | |
| 8. | Ruby Datta | 90 | 10.00 | | | | |
| 9. | Sangeeta Pareekh | 2,47,500 | 10.00 | | | | |
| 10 | Securocrop Securities India Private Limited | 2,47,500 | 10.00 | | | | |
| | Total | 87,17,400 | | | | | |

For more details, refer “Capital Structure” on page number 70 of this Draft Red Herring Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

No Split or Consolidation happened during the last one year.

For more details, refer “Capital Structure” on page number 70 of this Draft Red Herring Prospectus.

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

Our company has not applied for or received any exemption from complying with any provisions of securities laws by SEBI.

RELATED PARTY TRANSACTIONS

Transactions with related parties:

| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------------|-----------------------------|--------------------------|
| Director's Remuneration | | | |
| - Directors | 116.35 | 235.49 | 99.60 |
| Mr. Anuj Dosajh | 32.41 | 73.42 | 29.40 |
| Mr. Ajay Raina | 37.49 | 49.32 | 20.40 |
| Mr. Ramakrishnan Balasundaram Aiyer | 32.41 | 73.42 | 29.40 |
| Mr. Lalit Mohan Datta (<i>Resigned on 31 March 2024</i>) | 14.03 | 39.32 | 20.40 |
| | | | |
| Salary & Wages | | | |
| - Chief Financial Officer (w.e.f. 02/03/2024) | | | |
| Mr. Rakesh Kaul | 0.90 | - | - |
| | | | |
| - Company Secretary (From 02/03/2024 to 02/04/2024) | 0.21 | - | - |
| Ms. Nidhi Sharma | | | |
| | | | |
| - Relative of Directors | 17.28 | 7.20 | - |
| Mrs. Poonam Dosajh | 5.76 | 2.40 | - |
| Mrs. Asha Aiyer | 5.76 | 2.40 | - |
| Mrs. Monica Bhat | 5.76 | 2.40 | - |
| | | | |
| Loan taken | | | |
| - Directors | - | 28.65 | - |
| Mr. Anuj Dosajh | | 23.65 | - |
| Mr. Ramakrishnan Balasundaram Aiyer | | 5.00 | - |
| | | | |
| Loan repaid | | | |
| - Directors | - | 28.65 | - |
| Mr. Anuj Dosajh | - | 23.65 | - |
| Mr. Ramakrishnan Balasundaram Aiyer | - | 5.00 | - |
| | | | |
| Property Purchaed | | | |
| - Directors | - | - | - |
| Mr. Anuj Dosajh | - | - | - |
| | | | |
| Rent of Pune Office | | | |
| - Directors | - | - | 0.06 |
| Mr. Ramkrishnan Aiyer | - | - | 0.06 |
| | | | |

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SECTION III – RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “Our Business”, “The Issue”, “Industry Overview”, “Financial Statements”, “Outstanding Litigation and Material Developments”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 122, 53, 106, 185, 223, and 211 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial conditions, and Draft Red Herring Prospectus.

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 because 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 mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Ind AS, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

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

- 1. Some risks may not be material individually but may be material when considered collectively.*
- 2. Some risks may have material impact qualitatively instead of quantitatively.*
- 3. Some risks may not be material at present but may have a material impact in the future.*

INTERNAL RISK FACTOR

- 1. We have certain outstanding litigation involving our company, promoters, directors. Any adverse outcome of which may adversely affect our business, reputation and results of operations.***

There are outstanding legal proceedings against our Company, Promoters and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The

summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory action and other material pending litigation involving our Company, Promoters, and Directors. For further details please refer to the Outstanding Litigation and Material Developments section on page 223 of this Draft Red Herring Prospectus.

Cases against our Company, our promoter and Directors:

| Name | By/ Against | Civil Proceedings | Criminal Proceedings | Tax Proceedings | Amount Involved in ₹ lakhs |
|-----------------------------------|----------------|----------------------|-------------------------|--------------------|----------------------------------|
| Company | By | 3 | NIL | NIL | 55.34 |
| | Against | 3 | NIL | 4 | 15.23 |
| Promoters | By | NIL | NIL | NIL | NIL |
| | Against | NIL | NIL | NIL | NIL |
| Group Companies | By | NIL | NIL | NIL | NIL |
| | Against | NIL | NIL | NIL | NIL |
| Directors other than Promoters | By | NIL | NIL | NIL | NIL |
| | Against | NIL | NIL | 1 | NIL |

The amounts claimed in these proceedings have been disclosed to the extent possible. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. We cannot guarantee favourable litigation outcomes. Additionally, complaints or any legal actions from customers, regulators, or employees might also affect us.

For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company, kindly refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 223 of this Draft Red Herring Prospectus.

2. ***Our revenue from operations is largely dependent on a few key customers who contribute a substantial portion of our total revenue. The loss of any of our major customers due to any adverse development may adversely affect our business, financial condition, results of operations and future prospects.***

We have established and will continue to focus on strengthening long-standing relationships with well-known customers across the end-use industries that we cater to. However, our revenue from operations is largely dependent on a few key customers who contribute a substantial portion of our total revenue.

While we focus on maintaining and strengthening long-standing relationships with these well-known customers across the industries we serve, there is no guarantee that we will maintain the current level of business. Set out below are details in relation to the revenue contribution from our Top 1, 3, 5 and 10 customers for fiscal 2024, 2023 and 2022:

| Particulars | For the financial year ended | | | | | |
|-------------|------------------------------|---|--------------|---|--------------|---|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount | % | Amount | % | Amount | % |
| | (₹ in lakhs) | | (₹ in lakhs) | | (₹ in lakhs) | |



| | | | | | | |
|------------------|----------|--------|----------|--------|----------|--------|
| Top 1 Customer | 676.32 | 12.74% | 848.85 | 24.55% | 801.22 | 41.94% |
| Top 3 Customers | 1,660.08 | 31.27% | 2,042.23 | 59.07% | 1,245.11 | 65.18% |
| Top 5 Customers | 2,566.72 | 48.35% | 2,765.53 | 79.99% | 1,455.38 | 76.18% |
| Top 10 Customers | 4,233.51 | 79.76% | 3,371.83 | 97.53% | 1,761.88 | 92.22% |

The loss of any major customer or a significant reduction in business from them could materially affect our business, financial condition, results of operations, and cash flows. Any negative developments, such as disputes, disqualification, or if they start sourcing from competitors offering better quality or lower prices, could significantly reduce our cash flow and liquidity. Additionally, if any of these customers merge or are acquired, our existing relationships and agreements could be disrupted, and if the new owners no longer need our products, it could further negatively impact our business.

3. *We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition.*

Our Company's working capital requirements for the Fiscals 2024, 2023 and 2022 on the basis of our restated financial statements amount to ₹ 1392.78 lakhs, ₹ 641.22 lakhs and ₹ 316.50 lakhs respectively. Further, our working capital requirements for Financial Year 2025 are estimated at ₹ 3,464.41 lakhs out of which an amount of ₹ 1,700 lakhs will be funded out of the Net Proceeds, whereas the balance, if any, would be arranged from our internal accruals /Equity Reserves. For details of our working capital requirements and estimation, please see "Objects of the Issue" on page 85 of this Draft Red Herring Prospectus.

We need a substantial amount of working capital, which depends on certain assumptions. Any changes in these assumptions will affect our working capital needs. This capital is essential for buying raw materials, equipment, mobilizing resources, and other project-related expenses before we receive payment from our clients. Therefore, we will continue to rely on debt to meet our working capital needs. Our requirements may increase if we take on larger or more projects, or if payment terms do not include advance payments or have schedules that delay payments until the end of a project, thereby increasing our working capital burden.

Our working capital needs include providing bank guarantees including performance bank guarantee for awarded contracts, which require cash margins. Additionally, clients hold back a percentage of the contract value as retention money. We work to maintain strong relationships with banks and financial institutions to increase our financing options. Our good credit profile usually helps us get favorable financing terms. However, we cannot guarantee that these relationships will stay the same or that lenders won't change their policies, which could increase our financing costs or make it harder to get loans. This could lead to project delays and cost overruns, negatively impacting our business and finances.

A significant portion of our working capital is tied up in trade receivables, including progress payments and retention money. There's no assurance that clients will pay these on time or that we can manage bad debt efficiently. These factors could increase our receivables and adversely affecting our financial condition and operations.

4. *Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.*

Our Order Book, as of the date of this DRHP, is calculated based on the total contract value of our ongoing projects minus the work we've completed so far and includes the value of new projects awarded to us. This method of calculating and presenting our Order Book may differ from other companies, including our competitors. The Order Book information in this Draft Red Herring Prospectus is not audited and doesn't necessarily predict our future earnings, so it shouldn't be considered a substitute for performance measures.

As of the date of this DRHP, our Order Book, based on pending invoices, includes WWTPs, WTP, ZLD, Services, O&M, and Chemical & Spares with a total value of ₹ 4,934.63 lakhs. For more details on our Order Book, see “Our Business – Order Book” on page 140. We might not achieve the expected margins or could incur losses on some contracts, and we may not realize the anticipated revenues. There's no guarantee we will be awarded the expected projects or that we can finalize agreements on favorable terms, if at all.

We might face issues executing projects as planned or on time. Factors beyond our control, such as delays in obtaining permits or other obstacles, can postpone or cancel projects. Delays can lead to clients delaying or refusing to pay the expected amounts.

Therefore, the realization of our Order Book and its impact on our results may vary significantly from period to period, depending on the nature and performance of the contracts and their stage of completion at the reporting date.

5. *We rely on our in-house designing, engineering and construction teams for project execution. Loss of employee(s) may have an adverse effect on the execution of our projects.*

We have an in-house team for designing engineering and construction which makes us self-reliant on all aspects of our business. We have a team of engineers who are supported by third-party consultants and industry experts to ensure compliance and quality standards laid down by the industry. We also have our own team for civil construction works thereby reducing dependence on third parties. The scope of our services typically includes design and engineering of the WWTPs, procurement of raw materials, execution at site with overall project management up to the commissioning of Projects. Post commissioning, operations and maintenance of these plants for a certain period of time is generally a part of the award in recent times. We have a team of dedicated engineers and personnel focused on operations and maintenance of completed projects. For further details, please see “Our Business” beginning on page 122. We believe that our ability to effectively execute and manage projects is crucial to our continued success. We understand that maintaining quality, minimising costs and ensuring timely completion of our projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel increases among engineering and construction companies, it is difficult to retain highly skilled and trained employee by any organisation. Replacement of such employees is difficult and may require time to find and employ a suitable replacement. Loss of skilled employees from our designing, engineering and construction teams may affect our ability and capability to execute projects and may also affect our growth prospects.

6. *For some our projects, we rely on various third parties in the civil construction activities of installing our WWTPs and factors affecting the performance of their obligations could adversely affect our projects.*



For some of our projects, we rely on third parties for the civil construction of our WWTPs, including contractors and suppliers of labor and materials. The timing and quality of these projects depend on the availability and skill of these third parties, as well as potential issues they may face, such as labor and material shortages or price increases. Although such issues are minimal now, they may become more common in the future.

We may have difficulty finding experienced third parties and cannot guarantee that skilled workers will be available at reasonable rates or in the locations where we operate. This might require us to make additional investments or provide extra services to ensure timely and quality project completion. Delays in project execution could negatively affect our profitability. Additionally, if third parties do not meet our quality standards or complete work on time, it could harm our reputation and financial condition.

7. *There are certain instances of delays in payment of statutory dues by us. Any further delays in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have a material adverse impact on our financial condition and cash flows.*

Our company has experienced instances where we have delayed filing Income Tax returns, TDS returns GST returns, EPF returns, and ESIC returns, resulting in the imposition of late filing fees and interest on delayed payments. While the current fees and interest incurred have been manageable, continued practices of delay could cumulatively impact our cash flows adversely.

Brief details of delay in submission of last 5 years statutory returns and amount are as below:

Income Tax

- Delay in payment of Advance Tax: FY 2022-23;

Employees Provident Fund

- Delay in EPF Payment: July 2021, Apr 2021, July 2020, July 2019

Employees State Insurance

Pune Office:

- Delay in ESI Payment: Dec 2019, Apr 2020, May 2020, Apr 2021

Goods & Service Tax

- Delay in GST Return:

- 1) Delhi: April 2021, March 2021, October 2020, August 2020, July 2020, June 2020;
- 2) Gujrat: November 2021, October 2021, September 2021;
- 3) Pune: April 2021, March 2021, October 2020, July 2020, June 2020, Aug 2019, July 2019.

Traces

- Delay in TDS Return :- 2nd Quarter of FY 2023-24

To date, no show cause notice has been issued against our company concerning these matters. However, we cannot assure that such notices will not be issued in the future. If the authorities take notice of these delays, actions may be initiated against our company and its directors, potentially affecting our financial standing. We acknowledge the possibility of penalties being imposed in such scenarios.

As a corrective measure, our company has appointed a compliance officer to oversee real-time management of all compliance-related matters. Additionally, we have reinforced our internal controls to promptly address any procedural shortcomings.

8. *We deploy advanced technologies in the designing and installation of WWTPs. Any incapability to adopt a new technology or change in the requirement of a particular technology by the Industries may affect our position for WWTPs.*

Designing and engineering WWTPs is technically complex, time-consuming, and resource-intensive due to unique project requirements. We constantly enhance our technical skills to provide comprehensive services to our clients at lower costs without sacrificing quality. We use advanced treatment processes in water supply projects and have implemented advanced tertiary treatment technologies such as dual media filters, activated carbon filters, rapid sand gravity filters, chlorination, and UV treatment over the years. In ongoing projects, we also use disc filters and ultra-filtration.

Most STPs and ETPs we install are ZLD compliant, allowing treated water to be used for horticulture, washing, refrigeration, or other industrial processes. We apply these advanced technologies based on industry requirements for each project.

However, if the industry requirements change and we fail to adopt these new or advanced technologies in a timely manner, it could significantly impact our business and operations. Our competitors who can offer these new technologies may gain an advantage over us, potentially leading to a loss of market share. Additionally, failing to keep up with technological advancements could limit our ability to secure new projects, meet client expectations, and maintain our competitive edge, ultimately affecting our future growth and profitability. Adapting to technological changes is crucial to sustaining our business performance and ensuring long-term success.

9. *Our operations are subject to environmental and workers' health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.*

Our operations are subject to environmental laws and regulations in India, including the Environment (Protection) Act, 1986, The Water (Prevention and Control of Pollution) Act, 1974, The Water (Prevention and Control of Pollution) Cess Act, 1977, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, The Air (Prevention and Control of Pollution) Act, 1981, Environment Protection Rules, 1986, and the Environmental Impact Assessment Notification, 2006 and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India ("MoEF") and various statutory and regulatory authorities and agencies in India. We are subject to regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of



inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business, see “Key Industry Regulations and Policies” on page 144. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.

10. Our actual cost in executing WWTPs may vary substantially from the assumptions underlying our estimates. We may be unable to recover all or some of the additional costs and expenses, which may have a material adverse effect on our results of operations, cash flows and financial condition.

Our company enters into agreements for wastewater treatment plant (WWTP) projects, receiving a fixed sum subject to contract variations for changes in client requirements. However, actual project expenditures may differ significantly from initial estimates due to unforeseen factors such as:

- Unanticipated increases in material, fuel, labor, or input costs
- Unexpected construction conditions leading to delays and added expenses
- Weather-related delays
- Supplier performance issues

We may be unable to pass on increased costs to clients due to limited or no price escalation provisions in contracts, potentially leading to financial losses. Additionally, industry inherent risks may result in lower profits or losses due to cost and time overruns, which could negatively impact our cash flows, business, financial condition, and operational results.

11. If there is a shortage in the supply of our components and raw materials, or if their costs increase, it could negatively impact the pricing and availability of our products. This could harm our business, operational results, and financial condition.

Our components and raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, customer demand, changes in government policies and regulatory sanctions. In connection with our manufacturing and our wastewater treatment systems and plants, we procure key raw materials and engineering essentials such as cement, steel, construction chemicals, pumps, blowers, diffusers, screens, chlorination/UV, sludge dewatering systems, various equipment and components along with chemicals and spares for water/sewage/effluent treatment, among other items. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, our

cost of raw materials consumed was ₹ 3,622.38 ₹ 2,286.46 and ₹ 1,268.02, respectively, which represented 81.43%, 74.33% and 61.71% respectively, of our total expenses.

We rely on a number of suppliers for our components, materials and stock-in-trade which are an integral part of our wastewater treatment systems, plants and products. We do not have any long-term contracts with our third-party suppliers. Prices are negotiated for each purchase order, and we generally have more than one supplier for each component or raw material. The terms and conditions including the return policy are set forth in the purchase orders. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products.

We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our wastewater treatment systems and plants, modules and spare parts to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

12. Our Company has reported negative cash flows in the recent period. Negative cash flows in the future could adversely affect our results of our operations and financial condition.

Our cash flows from operating activities, investing activities and financing activities for the financial year ended March 31 2024, 2023 and 2022 are set forth below:

Amount in ₹ lakhs

| Particulars | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | 594.04 | 348.83 | 45.20 |
| Cash Flow from investing activities | 69.68 | (89.30) | 277.94 |
| Cash Flow from financing activities | 66.14 | (58.66) | (326.56) |
| Net Increase / (Decrease) in cash and cash equivalents | 729.85 | 200.88 | (3.41) |

13. Our Promoters have provided personal guarantees to secure certain of our fund facilities, which if revoked or invoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Promoters have provided personal guarantees and mortgaged certain of their immovable properties in relation to certain of our fund and non- fund based facilities and may continue to provide such guarantees after the listing of the Equity Shares pursuant to the Issue. In the event that any of these guarantees are revoked or invoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities, as applicable. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result, may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all. Any such failure to raise additional capital could adversely affect our operations and our financial condition. For further details, kindly refer chapter titles “Financial Statements As Restated” on Page 185 of this Draft Red Herring Prospectus.



14. If we fail to perform O&M works or if there are any service deficiencies in the projects we install according to the relevant contracts, we could face penalties or contract termination. This could seriously harm our reputation, business, financial condition, operational results, and cash flow.

In our Project Development and Operation and Maintenance (O&M) business, we are required to adhere to specific standards and specifications outlined in our contracts, which involve regular maintenance costs. However, O&M expenses may increase due to factors beyond our control, such as:

- Changes in regulatory maintenance or safety standards
- Unexpected rises in material and labor costs or environmental stress
- Increases in electricity or fuel costs
- Other unforeseen operational and maintenance costs

Additionally, our operations could be disrupted by technology system failures. If we fail to meet quality standards or incur significant cost overruns, our profits may decline, and we could face regulatory penalties. This could negatively impact our business, financial condition, and operational results.

Moreover, failure to effectively manage these costs and disruptions could lead to project delays and damage our reputation with clients. In the long term, this could hinder our ability to secure new contracts and maintain existing ones, further affecting our growth and financial stability. Maintaining a robust and proactive approach to managing O&M risks is crucial for sustaining our business performance and meeting contractual obligations.

15. Changes in government policies related to the environment and water treatment, in particular, may adversely affect our business, financial condition and results of operations.

ZLD solutions is significantly influenced by environmental protection policies, legislation, and regulations, which are subject to change due to shifting political, social, and economic factors. Changes in environmental, water supply, and water treatment regulations may impact demand for our services, potentially having a material adverse effect on our:

- Business
- Financial condition
- Results of operations

We are vulnerable to legislative and regulatory fluctuations, which can alter the demand for our solutions and impact our overall performance

16. After conversion of Company into public limited we are required to update the name of our company in some of the statutory approvals, certificates, licenses and registrations due to the change of Status of our Company.

Our Company was originally incorporated as Apex Ecotech Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 01, 2019. Subsequently, the Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024. The name of our Company was changed from "Apex Ecotech Private Limited" to "Apex Ecotech Limited" vide a fresh Certificate of

Incorporation dated July 02, 2024 having CIN U29299PN2009PLC133737 issued by the Registrar of Companies, Central Processing Centre. Our Company has already initiated the process of change in name of the statutory approvals, certificates, licenses and registrations due to the change of Status of our Company. We cannot ensure that we will be able to update the said documents in a timely manner.

For further details of the outstanding litigation proceedings, see “Government and Other Statutory Approvals” beginning on page 233 of this Draft Red Herring Prospectus.

17. We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.

Since we don't own any vehicles for material transportation, we rely on third-party transportation and logistics providers for these services, introducing our dependency on intermediaries like logistics companies. Notably, we lack long-term contractual arrangements with these third-party providers, exposing us to potential disruptions in logistics that could impair our material procurement and product delivery timelines, thereby significantly impacting our business, operational results, and financial health.

Moreover, the absence of insurance coverage by our third-party transportation providers means that any losses incurred during the transportation process must be claimed under the company's insurance policy. The uncertainty of timely or complete compensation for such claims poses a risk, potentially adversely affecting our business, financial condition, operational results, and cash flows. Additionally, the potential loss of one or more third-party transportation providers could result in less favourable terms for alternative providers, leading to increased costs and a subsequently adverse impact on our operating results.

18. We do not own the premises of our Registered, Corporate Office and Godowns.

We do not own our Registered, Corporate Office and Godown, which are occupied by us on a leasehold basis. While the lease agreements for our registered office, corporate office and one godown are long term in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement or by serving a without cause termination notice. Termination of our leases may occur for reasons beyond our control, such as breaches of lease agreements by the landlords of our premises which is detrimental to our operations. If we, our current or future landlords breach the lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Once we obtain a lease, we incur significant expenses to install necessary furniture, fittings, machinery, lighting, security systems and air conditioning, to ensure such unit is designed in line with our requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Occurrence of any of these factors may materially and adversely affect our business, results of operations and financial condition.

Further, some of our lease deeds of godowns may not be registered and/or may not be adequately stamped and, consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. For further details, please see chapters titled “Our Business” at pages 122.



19. Certain delays and discrepancies have been detected in our statutory records, as well as in records related to the submission of returns and statutory expenses to the concerned Registrar of Companies.

In the past, there were instances of delays in filing statutory forms with the RoC. These delays not only disrupted regulatory compliance but also raised questions about the company's efficiency and reliability in meeting legal obligations, potentially tarnishing its reputation and credibility in the business environment. These were later rectified, accompanied by additional fees. Any monetary penalties or punitive actions from authorities against the company, its directors, or officers could adversely impact its business, financial condition, and operational results.

The table below depicts the details of last 5 years delayed filings:

| Financial Year | Particulars | Event Date | Due Date | Actual Date/ Date of Filing | Delay |
|----------------|-------------|--------------------|-------------------|-----------------------------|---------|
| 2023-2024 | Form DIR 12 | March 18, 2024 | March 17, 2024 | April 24, 2024 | 7 Days |
| 2023-2024 | Form DIR 12 | March 28, 2024 | April 27, 2024 | May 02, 2024 | 5 Days |
| 2022-2023 | Form CHG-1 | November 07, 2023 | December 07, 2023 | January 05, 2024 | 29 Days |
| 2022-2023 | Form CHG-1 | November 07, 2023 | December 07, 2023 | January 05, 2024 | 29 Days |
| 2022-2023 | Form CHG-1 | November 07, 2023 | December 07, 2023 | January 12, 2024 | 36 days |
| 2022-2023 | Form CHG-1 | November 07, 2023 | December 07, 2023 | January 12, 2024 | 36 days |
| 2022-2023 | Form CHG-1 | September 07, 2023 | October 07, 2023 | November 27, 2023 | 51 days |
| 2022-2023 | Form AOC 4 | May 31, 2023 | June 29, 2023 | June 30, 2023 | 1 day |
| 2021-2022 | Form AOC 4 | September 30, 2022 | October 30, 2022 | November 07, 2022 | 8 days |
| 2020-2024 | Form ADT-1 | March 12, 2021 | April 03, 2021 | May 07, 2021 | 34 days |
| 2020-2021 | Form DPT 3 | March 31, 2021 | June 30, 2021 | July 02, 2021 | 2 days |

Our Company has till date not received any notices from any authorities for the aforementioned delays and/or defaults, however, there can be no assurance that the regulator may not initiate proceedings against us for the aforementioned instances which may impose financial liability on the Company. Furthermore, in future, we will strive to adhere the timeline of statutory compliances in accordance to the provisions of Companies Act, 2013.

Further, we would like to certify that the same will be updated in RHP and Prospectus.

20. We do not have long term contracts or exclusive arrangements with any of our suppliers, and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.

We do not have long term contracts or exclusive arrangements with any of our suppliers, and any major disruption to the timely and adequate supplies of our raw materials for any of our segments exposes us to volatility in the prices of raw materials and could adversely affect our business, results of operations and financial condition. The availability of these raw materials and components is dependent on the global supply chain and their shortages can be caused by, among other things, variations in the supply of quality material, import duties, currency exchange rates, natural disasters, changing economic conditions, or other geographic and political events. For instance, the shortage of labour, local and international restrictions impacting the transport and logistics arising due to pandemic like COVID-19 contributed to a bottleneck in supply chain system in the industry which may occur in future. Prices of oil and gas also affect our distribution and transportation costs.

21. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our promoters remain associated with us.

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters except Mr. Lalit Mohan Datta have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacement and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and it may be materially and adversely affected.

22. If our Company is unable to protect its intellectual property, our business may be adversely affected.

Our Company is currently using logo,  which is not yet registered in the name of our Company. While, we have made applications for registering the name and logo of our Company, however the application is pending for approval. If we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial



condition. For further details, please refer to the chapters titled “Our Business” and “Government and other Statutory Approvals” on page nos. 122 and 233, respectively of this Draft Red Herring Prospectus.

23. We face foreign exchange risk, which may negatively affect our business, financial condition and results of operations.

For the financial year ended March 31, 2024, our revenue from operation from export is ₹ 407.71/- lakhs, which is amounting to 7.68% of total revenue from operations. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company’s results of operations. We are not involved in the hedging of foreign currency which would result in losses and gains resulting from translation of foreign currency denomination on our financials.

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

We have in the past entered into below mentioned related party transactions with our Promoter, Directors and Key Managerial Personnels. For further details, please refer to the chapter titled - “Financial Statements” at page 185. While we assert that all our related party transactions have been conducted at arm's length, and we confirm compliance with relevant provisions of the Companies Act and other applicable laws, we cannot guarantee that we might not have secured more favourable terms if these transactions had involved unrelated parties.

(Amount in ₹ lakh)

| Particulars | As at | As at | As at |
|--|-----------------|-----------------|-----------------|
| | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| Director's Remuneration | | | |
| - Directors | 116.35 | 235.49 | 99.60 |
| Mr. Anuj Dosajh | 32.41 | 73.42 | 29.40 |
| Mr. Ajay Raina | 37.49 | 49.32 | 20.40 |
| Mr. Ramakrishnan Balasundaram Aiyer | 32.41 | 73.42 | 29.40 |
| Mr. Lalit Mohan Datta (<i>Resigned on 31 March 2024</i>) | 14.03 | 39.32 | 20.40 |
| | | | |
| Salary & Wages | | | |
| - Chief Financial Officer (w.e.f. 02/03/2024) | | | |
| Mr. Rakesh Kaul | 0.90 | - | - |
| | | | |
| - Company Secretary (From 02/03/2024 to 02/04/2024) | 0.21 | - | - |
| Ms. Nidhi Sharma | | | |
| | | | |
| - Relative of Directors | 17.28 | 7.20 | - |
| Mrs. Poonam Dosajh | 5.76 | 2.40 | - |
| Mrs. Asha Aiyer | 5.76 | 2.40 | - |
| Mrs. Monica Bhat | 5.76 | 2.40 | - |
| | | | |

| | | | |
|-------------------------------------|---|-------|------|
| Loan taken | | | |
| - Directors | - | 28.65 | - |
| Mr. Anuj Dosajh | | 23.65 | - |
| Mr. Ramakrishnan Balasundaram Aiyer | | 5.00 | - |
| | | | |
| Loan repaid | | | |
| - Directors | - | 28.65 | - |
| Mr. Anuj Dosajh | - | 23.65 | - |
| Mr. Ramakrishnan Balasundaram Aiyer | - | 5.00 | - |
| | | | |
| Rent of Pune Office | | | |
| - Directors | - | - | 0.06 |
| Mr. Ramkrishnan Aiyer | - | - | 0.06 |
| | | | |

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations.

25. Reliance has been placed on declarations and affidavits furnished by certain of our promoters and Directors for details of their profiles included in this Draft Red Herring Prospectus.

Our Company does not have any documentary evidence for the work Experience of our Promoters Mr. Anuj Dosajh, Mr. Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina and Mr. Lalit Mohan Datta. They are unable to trace the documents evidencing his Experience. Due to lack of documents and relevant Information we have relied on Affidavit Signed by the Promoters. Additionally for qualification of Mr. Anuj Dosajh (Promoter and Managing Director) and Mr. Rajiv Mathur (Independent Director) we have relied on affidavit signed by them as they are unable to trace their qualification certificate.

For details in relation to the experience of our key management personnel, see “Our Management” on page 156 of this Draft Red Herring Prospectus

26. We have been recently converted into public limited company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.

Our Company has been incorporated as a private limited company pursuant to the provisions of Companies Act, 1956 and recently converted into a public limited company pursuant to special resolution passed at the Extra Ordinary General Meeting. Prior to conversion, the provisions pertaining to public limited companies of the Companies Act, 1956/2013 were not applicable to us. However, consequent to the aforesaid conversion, our Company is required to observe compliance with various provisions pertaining to public limited companies of the Companies Act 1956/2013. Further, our Company needs to additionally comply with provisions of SEBI ICDR Regulations and SEBI (LODR) Regulations. Though our Company will take due care to comply with the provisions of the Companies Act and other applicable laws and regulations. In case of our inability to timely comply with the



requirements or in case of any delay, we may be subject to penal action from the concerned authorities which may have an adverse effect on our financial and operational performance and reputation.

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

As of March 31, 2024, our contingent liabilities as indicated in our restated financial statements are of ₹ 12.59/- lakhs which belongs to Interest on late payment to disputed MSME Creditors.

Any default in payment under such arrangement may have an adverse effect and may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, please refer “*Note 26–Contingent Liabilities and Commitments*” under *Financial Statement* starting on page 206 of this Draft Red Herring Prospectus.

28. We have total indebtedness of ₹ 42.13 lakhs. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, credit rating, reputation, prospects, results of operations, cash flows and financial condition.

Our indebtedness comprises, inter alia, secured loans. Our total indebtedness could have several adverse consequences, including but not limited to the following a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements. Our ability to obtain additional financing in the future at reasonable terms may be restricted.

29. Our business is substantially dependent on our design and engineering teams to accurately carry out the pre-bidding engineering studies for potential projects. Any discrepancies between these pre-bid estimates and the actual project execution could significantly impact our cash flows, operational results, and financial condition.

We have developed in-house resources with key competencies to deliver a project from conceptualization to completion which includes our qualified design and engineering team. We rely on our in-house team for timely and efficient execution of our projects. In addition to design and engineering, our teams carry out detailed inspection of the relevant project area to record and highlight important features and identify any issues that may be of importance in terms of implementation and operation of such project. While our teams have the necessary skill and experience in carrying our pre-bidding engineering studies, we may not be able to assure the accuracy of such studies. The accuracy of the pre-bidding studies is dependent on the following key elements:

- Preparing a project road map-based investigation of the project site which include amongst others, major water bodies, laying of pipelines, the quality of the sewerage or effluent discharge from the concerned area, technology required to be adopted for the plant;

- Undertaking engineering surveys and preliminary designs which broadly include carrying out inventory and detailed condition surveys, carrying out preliminary investigations, availability of construction materials and implementing design in accordance with environmental and social concerns; and
- Preparation of bills of quantities covering all the items required in the work.

Any deterrence or deviation in the estimation and calculation of the key elements may hamper the quality of the prebid engineering study, on which we rely before submitting any tenders for the relevant project. Any deviation during the implementation and operation of the project as compared to our pre-bid estimates could have a material adverse effect on our cash flows, results of operations and financial condition.

30. Water reuse and zero liquid discharge technology is evolving rapidly. These advancements could impact the demand for our services and products. If we fail to keep up with these technological changes and new product developments, our business, operational results, and financial condition could suffer.

The water reuse and zero liquid discharge technology sector is highly dynamic and subject to rapid technological advancements. These changes can directly affect the demand for our products and services. Our success depends on our ability to develop and introduce innovative solutions that align with evolving technological trends and meet customer needs.

New technologies may render our existing products obsolete, requiring careful management of inventory and potential asset impairments. Customers might delay or change orders in anticipation of new products, impacting our operations and financial health.

To stay competitive, we have introduced several new products and services focused on water reuse, zero liquid discharge, and desalination. However, if we fail to invest in new technologies or secure beneficial technology partnerships, we risk missing market opportunities. Shifts in market demand or investment priorities might also force us to adjust our product development efforts, potentially straining customer relationships.

Timely decision-making and execution of product introductions are crucial for maintaining our market position and meeting customer expectations. Failure to do so could significantly impact our business performance, financial stability, and competitiveness. Successfully navigating these challenges and aligning our strategies with market trends are essential for our long-term success.

31. Our Promoters and Directors have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement in our Company, and benefits deriving from the directorship in our Company. Our Promoter are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoters*”, “*Our Promoter Group*” and Related Party Transaction Notes under “*Financial Statements*” Chapter beginning on pages 122, 175, 180 and 185 respectively.



- 32. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

As of the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group holds 94.32% pre-issue share capital of our Company. Furthermore, after the completion of this Issue, our Promoters and Promoter Group will control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid-up equity share capital of our Company. As a result, our Promoters and Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. We cannot assure you that our Promoters and Promoter Group will exercise their rights as shareholders to the benefit and best interest of our Company.

- 33. *The average cost of acquisition of Equity Shares held by our Promoters may be less than the Issue Price.***

The average acquisition cost per Equity Share held by our Promoters might be lower than the issue price. Consequently, investors purchasing the Equity Shares may incur a cost higher than the average acquisition cost of our Promoter's Equity Shares.

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

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 85 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.

- 35. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and

internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 85 of the Draft Red Herring Prospectus.

36. Misconduct by our employees or failure of our internal processes could harm us by impairing our ability to attract and retain customers.

Employee misconduct or the failure of our internal processes and procedures has the potential to negatively impact us by compromising our ability to attract and retain customers, exposing us to significant legal liability, and causing reputational harm. Our business is inherently susceptible to the risks associated with employee misconduct or the breakdown of internal processes and procedures. Examples of employee misconduct include the improper use or disclosure of confidential information, leading to potential legal battles and severe damage to our reputation or financial standing.

Despite our efforts to monitor, detect, and prevent fraud or misappropriation by employees through various internal control measures, internal policies, and insurance coverage, these precautions may not be universally effective. It is possible that we may be unable to fully prevent or deter such activities in all cases. While we have successfully identified and addressed issues of this nature in the past, with no material impact, instances of fraud and misconduct by employees may go unnoticed for certain periods before corrective action is taken.

37. Our on-going projects are exposed to various implementation risks & uncertainties and may be delayed, modified or cancelled for reasons beyond our control which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.

Our order book sets forth our expected revenues from uncompleted portions of the construction contracts received. However, project delays, modifications in the scope or cancellations may occur from time to time due to either client’s or our default, incidents of force majeure or legal impediments. For example, in some of our projects, we or our clients are obliged to take certain actions, such as acquiring land, securing right of way, clearing forests, securing required licenses, authorizations or permits, making advance payments or opening of letters of credit or moving existing utilities, which may be delayed due to our client’s non-performance, our own breaches or force majeure factors. We may incur significant additional costs due to project delays and our counterparties may seek liquidated damages due to our failure to complete the required milestones or even terminate the contract totally or refuse to grant us any extension. The schedule of completion may need to be reset and we may not be able to recognize revenue if the required percentage of completion is not achieved in the specified timeframe. We may not have the full protection in our contracts / subcontracts against such delays or associated liabilities and/or additional costs. Further, we have escalation clauses in some of our contracts, which, may be interpreted restrictively by our counterparties, who may dispute our claims for additional costs. As a result, our future earnings may be different from the amount in the order book.

We may be further subject to risks such as:



- unforeseen technical problems, disputes with works and labour contractor, force majeure events and unanticipated costs due to defective plans and specifications;
- not being able to obtain adequate capital or other financing at affordable costs or obtain any financing at all to complete construction and installation of any of our projects;
- not being able to provide the required guarantees under project agreements or enter into financing arrangements;
- experiencing shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets;
- geological, construction, excavation, regulatory and equipment problems with respect to operating projects and projects under construction;
- the relevant authorities may not be able to fulfil their obligation prior to construction of a project, in accordance with the relevant contracts resulting in unanticipated delays;
- delays in completion and commercial operation could increase the financing costs associated with the construction and installation and cause our forecast budget to be exceeded;
- risk of equipment failure that may cause injury and loss of life, and severe damage to and destruction of property and equipment; and
- other unanticipated circumstances or cost increases.

If any or all of these risks materialise, we may suffer significant cost overruns or even losses in these projects due to unanticipated increase in costs as a result of which our business, profits and results of operations will be materially and adversely affected.

38. We have projects in diverse geographical regions which may expose us to various challenges.

Expanding our WWTP development into new geographical regions comes with several challenges:

- Unfamiliarity with local social, political, economic, and cultural contexts
- Language barriers
- Staffing and operational management difficulties
- Establishing our reputation in new areas

We may also encounter unforeseen risks and intense competition in these markets, which could negatively impact our business, operations, and financial condition. Entering new regions with different projects increases our exposure to unpredictable obstacles and competitive pressures.

Moreover, adapting to varying regulatory requirements and environmental standards in different regions can complicate project execution. Logistic issues and supply chain disruptions can also arise, leading to potential delays and cost overruns. Successfully navigating these diverse challenges is crucial to maintaining our growth and achieving our strategic objectives in new markets. Failure to do so could significantly affect our overall performance and long-term success.

39. Our failure to manage growth effectively may adversely impact our business, results of operations and financial condition.

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scale up our operations, adhering to high quality and execution

standards, our ability to expand our manufacturing capabilities, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, results of operations and financial condition.

- 40. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses in timely manner or comply with such rules and regulations or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or revoke the cancellation or suspension of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. Currently there are no approvals/licenses are pending which we have applied.

For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Key Approvals” at pages 144 and 233 respectively.

- 41. We rely on effective and efficient project management. Any adverse change in our project management procedures could affect our ability to complete projects on a timely basis or at all, which may cause us to incur liquidated damages for time overruns pursuant to our contracts.***

Our project-based businesses depend on the proper and timely management of our projects. Although we focus on project management in a number of ways, including by appointing project managers at our sites and by obtaining progress reports periodically, ineffective or inefficient project management could increase our costs and expenses and thus, materially and adversely affect our profitability.

We typically enter into contracts which provide for liquidated damages for time overruns. Additionally, in some contracts, in case of delay, our clients may have the right to appoint a third party to complete the work and to deduct additional costs or charges incurred for completion of the work from the contract price payable to us. In case we are unable to meet the performance criteria as prescribed by the clients and if penalties or liquidated damages are levied, our financial condition and results of operations could be materially and adversely affected.

- 42. The insurance coverage taken by us may not be adequate to protect against certain business risks and this may have an adverse effect on the business operations.***



While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including related to our corporate office, our movable property including vehicle, provide appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy.

Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows. In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

43. Improper handling of our products, or spoilage of and damage to our products, could damage our reputation and have an adverse effect on our business, results of operations and financial condition.

Our traded products are subject to risks during their transport or storage. Any shortcoming in the transport or storage of our products due to negligence, human error or otherwise, may damage our products and result in noncompliance with applicable quality standards. Any allegation that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be faulty, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected. We may also be exposed to liability from consumers for defects in the quality of our products.

44. Our Company has not entered any long-term contracts with any of our customers and we typically operate based on Contracts/ orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our Company has had long standing business relationships with various customers, and we have been serving our clients since many years. However, we have not entered any specific contracts with these clients, and we cater to them on an order-by-order basis. As a result, our client can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our services. Our Company's clients have no obligation to avail our service and may either cancel, reduce, or delay service orders. The service orders placed by our Company's clients are dependent on factors such as the customer satisfaction with the level of consistency of the services that our Company supplies. Although we emphasis on quality, timely delivery of services, in the absence of long-term contracts, any change in the service orders could adversely affect the business and the profitability of our Company.

Factors beyond our control, such as changes in customer preferences, demands for price reductions, or the financial decline of our customers, could also impact our relationships and reduce demand for our products. This could significantly decrease our revenue.

Additionally, disruptions in product delivery due to poor freight handling, transportation issues, natural disasters, disease outbreaks, wars, or labor problems could delay or lose deliveries, leading to insufficient inventory for our customers. Failing to deliver products on time could adversely affect our business and operations.

45. Our Company's failure to maintain the quality standards of the Service could adversely impact our business, results of operations and financial condition.

Quality of services is a vital element for our sector. We provide distinguished services to a variety of customers which provide us a safeguard against the change of trend with any type of customer as our operational cash influges get balanced with other type of our customer base. Any rapid change in our customers' expectation on account of changes in technology or introduction of new kind of services or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

46. The completion of our projects can be delayed on account of our dependency on our contracted labour force. Also, our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or other disputes with our employees or our contractors' employees.

Our projects rely on third-party services, including architects, engineers, labour contractors, and material suppliers. While we don't directly hire contract labour for many projects, their availability, skill, and potential shortages or delays can impact our timelines and quality. We may face challenges in directing contract labourers due to limited authority. Although we haven't experienced significant delays yet, future projects may be affected if we can't find experienced third parties at reasonable rates. This could lead to additional investments or services to ensure performance and delivery.

Moreover, we can't guarantee the quality of contracted services. Currently, our employees aren't unionized, but there's no assurance they won't form or join a union in the future. India's labour laws protect workers' interests, including union establishment, dispute resolution, and employee removal procedures. If our employee relations deteriorate, maintaining our labour policies may become challenging, potentially affecting our business

47. Our company operates in a highly competitive environment. Any failure to compete effectively could harm our business, future prospects and financial stability.

We operate in a highly competitive industry where aggressive pricing for project acquisition is common. Consequently, we may need to bid more aggressively and accept unfavourable terms. Without securing new projects, our business growth and revenues may suffer, especially when competing against larger and more resourceful firms.

New entrants willing to accept lower margins further strain industry profitability. This may intensify existing challenges, put pressure on pricing and profit margins for all. Continuous intense competition



in these markets presents significant challenges, affecting our capacity to sustain growth and uphold satisfactory profit margins. Businesses must adapt to this fierce competition, where newcomers sacrifice profits for market share, impacting overall industry financial health. Failure to address these challenges effectively heightens the risk of losing market share to competitors and facing an overall decline in profits.

48. We are exposed to the risk of delays or non-payment by our clients and other counter parties, which may also result in cash flow mismatches.

We are exposed to counter party credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or fulfil their other contractual obligations. The financial condition of our clients, business partners, suppliers and other counterparties may be affected by the performance of their business, which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect all or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows.

49. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and the results of operations. For more details of our business strategies refer Chapter Our Business beginning on page 122.

50. Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

51. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only if Issue size exceeds Rs. 100 Crore. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

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

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

53. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

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. For details of our dividend history, see "Dividend Policy" on page 184 of this Draft Red Herring Prospectus.

54. Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial, and other industry information is either complete or accurate.

We have relied on the reports of certain independent third parties for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be reliable, their accuracy, completeness and underlying assumptions are not guaranteed, and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies 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 may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.



55. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.

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 do not guarantee that a market for Equity Shares will develop, or if developed, the liquidity of such market for Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations 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, 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.

The Issue Price of our Equity Shares has been determined by book-built method. This price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 95 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and Domestic and international economic, legal and regulatory factors unrelated to our performance.

56. The sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

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

57. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Issue, we will be subject to a daily “circuit breaker” imposed by NSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by

SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

58. We may need additional capital and we may not be able to obtain it, which could adversely affect our liquidity and financial position.

We may require additional cash resources due to changed business conditions or other future developments. Our ability to obtain additional capital is subject to a variety of uncertainties, including our future financial condition, results of operations and cash flows, conditions in the capital markets in which we may seek to raise funds and general economic, political and other conditions in India and elsewhere. We may be unable to obtain additional capital in a timely manner or on acceptable terms or at all. The terms and amount of any additional capital raised through issuances of equity securities may result in significant dilution to our shareholders. Any incurrence of debt would result in the incurrence of interest expense and could require us to agree to operating and financial covenants that could restrict our operational flexibility and materially and adversely affect our business. Any termination of such membership could adversely affect our operations.

59. Failure to maintain confidential information of our customers could adversely affect our results of operations or damage our reputation.

We enter into confidentiality agreements and non-disclosure agreements with our customers and other third parties. Our agreements with our customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. Although there have been no assertions of misappropriation of confidential information or the intellectual property in the past, any such assertion by any of our customers against us, if successful, could have a material adverse effect on our business, results of operations and financial condition. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

60. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that in future no deficiency will be incurred. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

EXTERNAL RISK FACTORS

61. A deceleration in the economic growth of India or global economic instability may have a detrimental impact on our business, financial condition, and operational results.



We presently operate within India, a jurisdiction typically characterized by a developing economy, potentially lacking firmly established legal and regulatory systems compared to other nations. Our operational performance, growth trajectory, and the market value of our Equity Shares are heavily contingent on the overall performance of the Indian economy, its GDP growth rate, and the economic cycle within the country. Historical instances have seen India undergo economic slowdowns due to various factors, including the impact of the COVID-19 pandemic, unsustainably high current account deficits, capital outflows, and subsequent exchange rate pressures. While recent indications suggest a positive economic turnaround, there is no certainty that growth will remain uninterrupted, and the possibility of increased inflation persists. An economic deceleration in India could adversely affect our business, as well as our customers and contractual counterparts, particularly if such a downturn is prolonged. In periods marked by high inflation rates, our operational expenses may escalate, potentially impacting our cash flows and operational results adversely.

62. Adverse global economic, political, and social conditions have the potential to impede our business operations, escalate costs, and negatively impact our stock valuation.

Factors of a global economic and political nature, beyond our direct influence, play a pivotal role in shaping forecasts and directly impacting performance. Such factors encompass interest rates, economic growth rates, government fiscal and monetary policies, alterations in regulatory frameworks, inflation, deflation, foreign exchange fluctuations, consumer credit accessibility, consumer debt levels, unemployment patterns, threats and activities related to terrorism, global military and domestic disturbances, conflicts, and other elements that shape consumer confidence, spending patterns, and tourism trends.

63. The impact of natural or man-made disasters has the potential to negatively influence our financial performance, cash flows, and overall financial health. Instances of hostilities, terrorist attacks, civil unrest, and other acts of violence have the potential to adversely affect financial markets and pose risks to our business.

The potential occurrence of natural disasters such as cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic diseases, and man-made disasters, including acts of terrorism and military actions, poses a risk to our results of operations, cash flows, and financial condition. Acts of terrorism and violence may have adverse effects on the Indian securities markets. Additionally, any deterioration in international relations, particularly between India and its neighbouring countries, may lead to investor concerns about regional stability, potentially impacting the price of Equity Shares. India has experienced local civil disturbances in recent years, and the possibility of future civil unrest or other adverse social, economic, or political events in India could negatively affect our business. Such incidents may also contribute to a perception that investing in Indian companies entails a higher level of risk, potentially impacting our business and the market price of Equity Shares.

64. A potential deceleration in the economic growth of India could have detrimental effects on our business.

The success and expansion of our business are intricately linked to the overall health of the Indian economy. Any slowdown or perceived deceleration in India's economic growth, coupled with potential fluctuations in global commodity prices, could negatively impact our business. Additionally, adverse developments such as an increase in the trade deficit, a downgrade in India's sovereign debt rating, or a reduction in India's foreign exchange reserves might have negative repercussions on interest rates and

liquidity, thereby adversely affecting both the Indian economy and our business. Notably, the economic downturn caused by the COVID-19 pandemic in India and globally underscored the vulnerability of the macroeconomic environment. Any such downturn in India could adversely affect our business, financial condition, operational results, and future prospects. Various factors, including a rise in interest rates, inflation, adverse weather conditions affecting agriculture, commodity and energy price fluctuations, among others, could contribute to a slowdown in the Indian economy. Such a slowdown might impact the Indian government's policies toward our industry, thereby affecting our financial performance and hindering the execution of our business strategy.

Moreover, the Indian economy is influenced by economic and market conditions in other countries, particularly emerging markets in Asia. Fluctuations in India's foreign exchange reserves and exchange rates may impact liquidity and interest rates within the Indian economy, thereby affecting our financial condition. Loss of investor confidence in other emerging market economies or global financial instability could also have adverse effects on the Indian economy, thereby materially impacting our business, financial condition, operational results, and future prospects. Additional factors that could negatively affect the Indian economy include a scarcity of credit or financing, potentially impacting economic conditions and financing availability for our expansions; volatility in trading activity on India's principal stock exchanges; changes in tax, trade, fiscal, or monetary policies, including the application of GST; political instability, terrorism, or military conflicts in India or neighbouring countries; natural or man-made disasters; infectious disease outbreaks or other public health concerns; prevailing regional or global economic conditions, including those in India's primary export markets; and other significant regulatory or economic developments in or affecting India or its financial service sectors.

65. Investing in our Equity Shares involves inherent risks associated with investments in Indian companies.

As an Indian-incorporated entity with assets and employees based in India, our business, financial condition, and the market value of our Equity Shares are subject to various general risks linked to the Indian economic landscape. Changes in interest rates within India, policies enacted by the Government of India – encompassing taxation policies and industry-related measures – as well as broader political, social, and economic developments impacting the country can significantly influence our operations.

66. Furthermore, any potential downgrade of India's debt rating by an international rating agency could adversely affect our business.

The credit ratings of India, as assessed by international rating agencies, play a crucial role in determining the overall economic environment. An adverse shift in these ratings could negatively impact the Indian economy, potentially hampering our ability to secure additional financing in a timely manner or at all. This, in turn, may affect the interest rates and other commercial terms associated with such financing. The consequential impact could extend to our business and financial performance, our ability to secure funding for capital expenditures, and the market value of our Equity Shares.

67. Our business faces potential adverse impacts from natural calamities, climate change, and health epidemics, including the COVID-19 pandemic, within India. Additionally, hostilities, terrorist attacks, civil unrest, and acts of violence pose risks that could negatively affect our business operations, results, and financial condition.



India has encountered natural calamities such as earthquakes and floods in recent years. These events not only have the potential to adversely impact the Indian economy but could also damage or destroy our concentrated services or other assets located in a specific region. Any occurrence of such natural calamities could have cascading effects on our business, operational results, and financial standing.

The region has also experienced social, religious, and civil unrest, including instances like the mass protests by farmers against farm acts passed by the Indian Parliament in September 2020. Should mass protests escalate into civil unrest, it could impact our operations and have adverse effects on our business, results, and financial condition. Ongoing fragile relations between India and Pakistan, concerning issues like terrorism, armaments, and Kashmir, along with ongoing border disputes between India and China, pose geopolitical risks. Military activity or terrorist attacks in the future could disrupt communications and make travel more challenging, potentially influencing both the Indian and U.A.E. economies. Such political tensions may create a perception of increased risk associated with investments in Indian companies. Similar events of social and civil unrest in other countries in Asia and the Middle East could further influence the Indian economy and potentially have a material adverse impact on the market for securities of Indian companies.

68. Adverse global economic, political, and social conditions have the potential to impede our business operations, escalate costs, and negatively impact our stock valuation.

Factors of a global economic and political nature, beyond our direct influence, play a pivotal role in shaping forecasts and directly impacting performance. Such factors encompass interest rates, economic growth rates, government fiscal and monetary policies, alterations in regulatory frameworks, inflation, deflation, foreign exchange fluctuations, consumer credit accessibility, consumer debt levels, unemployment patterns, threats and activities related to terrorism, global military and domestic disturbances, conflicts, and other elements that shape consumer confidence, spending patterns, and tourism trends.

69. Changing laws, rules and regulations and legal uncertainties, 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 “Key Industrial Regulations and Policies.” beginning on page 144 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

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SECTION IV – INTRODUCTION

THE ISSUE

Present Issue in terms of this Draft Red Herring Prospectus:

| Particulars | Details of Number of Shares |
|--|--|
| Issue of Equity Shares by our Company | Up to 35,00,000 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakh. |
| <i>Of which:</i> | |
| Reserved for Market Makers | 2,00,000 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakh. |
| Net Issue to the Public | 33,00,000 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakh. |
| <i>Of which:</i> | |
| A. QIB portion ** | Not more than [●] Equity Shares |
| <i>Of which</i> | |
| (a) Anchor Investor Portion | Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] lakh |
| (b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed) | Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] lakh |
| <i>Of which:</i> | |
| (i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] lakh |
| (ii) Balance of QIB Portion for all QIBs including Mutual Funds | Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] lakh |
| B. Non – institutional portion ** | Not Less than [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] lakh |
| C. Retail portion ** | Not Less than [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] lakh |
| <i>Pre-and Post-Issue Equity Shares:</i> | |
| Equity Shares outstanding prior to the Issue | 96,86,000 Equity Shares of ₹ 10/- each |
| Equity Shares outstanding after the Issue | 1,31,86,000 Equity Shares of ₹ 10/- each |
| Use of Proceeds | Please see the chapter titled “ <i>Objects of the issue</i> ” on page 85 of this Draft Red Herring Prospectus for information about the use of Net Proceeds. |

**As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a Book Building issue the allocation is the net issue to the public category shall be made as follows:



1. *Not less than 35.00% (Thirty-five percent) to retail individual investor;*
2. *Not less than 15.00% (Fifteen percent) to non-institutional investor*
3. *Not more than 50.00% (Fifty percent) to qualified institutional buyers, 5.00% (Five percent) of which shall be allocated to mutual funds.*

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Provided further that in addition to 5.00% (Five percent) allocation available in terms of clause (C), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

Our Company, in consultation with the BRLM, may allocate up to 60% (Sixty Percent) of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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 Net QIB Portion. Further, 5% (Five percent) of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portions 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. In the event the aggregate demand from Mutual Funds is less than as specified above, 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 details, see "Issue Procedure" on page 260.

Subject to valid Bids being received at or above the issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law.

Notes:

1. *The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. The issue is being made by our company in terms of Regulation 229 (2) of SEBI (ICDR) Regulation, read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post issued paid-up equity share capital of our company are being offered to the public for subscription.*
2. *The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on July 06, 2024, and by our Shareholders pursuant to a resolution passed at the EGM held on July 11, 2024.*
3. *This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled "Issue Structure" beginning on page no. 301 of this Draft Red Herring Prospectus.*

SUMMARY OF FINANCIAL STATEMENT

FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in ₹ lakhs)

| Particulars | Notes | As at | As at | As at |
|--|-------|-----------------|-----------------|-----------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| I. EQUITY & LIABILITIES | | | | |
| (1) Shareholder's Funds | | | | |
| (a) Share Capital | 2 | 96.86 | 91.36 | 91.36 |
| (b) Reserves and Surplus | 3 | 1,376.70 | 631.16 | 279.07 |
| (2) Non-Current Liabilities | | | | |
| (a) Long-term borrowings | 4 | 19.95 | 38.72 | 77.05 |
| (b) Other Non-Current Liabilities | | - | - | - |
| (c) Long term provisions | 5 | 40.80 | 31.78 | 37.57 |
| (3) Current Liabilities | | | | |
| (a) Short-term borrowings | 4 | 22.18 | 19.51 | 33.05 |
| (b) Trade payables | 6 | | | |
| Outstanding dues to micro and small enterprises | | 344.86 | 178.67 | 142.65 |
| Outstanding dues to other than micro and small enterprises | | 28.83 | 88.55 | 70.55 |
| (c) Other current liabilities | 7 | 365.29 | 604.91 | 217.00 |
| (d) Short-term provisions | 5 | 260.46 | 83.14 | 30.45 |
| Total Equity & Liabilities | | 2,555.93 | 1,767.81 | 978.73 |
| II. ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Property, Plant and Equipment | 8 | | | |
| (i) Tangible assets | | 128.14 | 137.65 | 158.59 |
| (ii) Intangible assets | | 1.35 | 0.21 | 0.58 |
| (iii) Capital Work in Progress | | - | - | - |
| (b) Deferred tax assets (net) | 25 | 12.05 | 11.19 | 9.38 |
| (c) Other Non Current Assets | 9 | - | 2.75 | - |
| (2) Current assets | | | | |
| (a) Inventories | 10 | 175.52 | 340.55 | 192.74 |
| (b) Trade receivables | 11 | 866.67 | 701.08 | 346.58 |
| (c) Cash and Bank Balances | 12 | 1,012.46 | 357.24 | 67.12 |
| (d) Short-term loans and advances | 13 | 50.21 | 102.07 | 65.06 |
| (e) Other current assets | 14 | 309.54 | 115.07 | 138.68 |
| Total Assets | | 2,555.93 | 1,767.81 | 978.73 |



FINANCIAL STATEMENT OF PROFIT & LOSS AS RESTATED

(Amount in ₹ lakhs)

| Particulars | Notes | For the year ended | | |
|--|-------|--------------------|-----------------|-----------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| Income | | | | |
| Revenue from operations | 15 | 5,308.09 | 3,457.38 | 1,951.18 |
| Other Income | 16 | 38.40 | 34.68 | 51.68 |
| Total Income | | 5,346.49 | 3,492.06 | 2,002.86 |
| Expenditure | | | | |
| Cost of Material Consumed | 17 | 3,622.38 | 2,286.46 | 1,268.02 |
| Changes in inventories of WIP | 18 | - | - | 79.87 |
| Employee benefit expense | 19 | 467.78 | 498.63 | 465.51 |
| Finance cost | 20 | 5.76 | 9.43 | 24.50 |
| Depreciation | 8 | 22.92 | 27.77 | 36.06 |
| Other expenses | 21 | 329.85 | 253.74 | 180.92 |
| Total Expenses | | 4,448.69 | 3,076.02 | 2,054.88 |
| Profit/(Loss) before exceptional items and tax | | 897.80 | 416.04 | (52.02) |
| Less: Exceptional Items | | - | - | - |
| Profit/(Loss) before tax | | 897.80 | 416.04 | (52.02) |
| Tax expense: | | | | |
| (1) Current tax | | (235.10) | (59.76) | - |
| (2) Taxes of Earlier years | | (0.52) | (5.99) | - |
| (3) Deferred tax | 25 | 0.86 | 1.81 | (13.83) |
| Profit/ (Loss) from the period from continuing operations | | 663.04 | 352.10 | (65.86) |
| Profit/(Loss) from discontinuing operations: | | - | - | - |
| Less: Tax expense of discontinuing operations | | - | - | - |
| Profit/ (Loss) from Discontinuing operations | | - | - | - |
| Profit/(Loss) for the period | | 663.04 | 352.10 | (65.86) |
| Earning per equity share:* | | | | |
| (1) Basic | | - | - | - |
| (2) Diluted | | - | - | - |
| Earning per equity share - Basic & Diluted | | 72.47 | 38.54 | (7.21) |
| Earning per equity share considering the impact of Bonus - Basic & Diluted | | 7.25 | 3.85 | (0.72) |

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FINANCIAL STATEMENT OF CASH FLOW AS RESTATED

(Amount in ₹ lakhs)

| Particulars | Notes | Year ended | Year ended | Year ended |
|--|----------------|--------------------|--------------------|--------------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| <u>A. Cash flow from Operating Activities</u> | | | | |
| Net Profit Before Income tax & Extraordinary item | | 897.80 | 416.04 | (52.02) |
| Add: Depreciation | | 22.92 | 27.77 | 36.06 |
| Add: Interest Expenses | | 5.76 | 6.80 | 28.66 |
| Add: Previous year taxes paid | | (0.52) | (5.99) | - |
| Less: Profit on sale of Fixed Assets | | - | - | (39.78) |
| Less: Interest Income | | (9.59) | (6.41) | (2.69) |
| Operating Profit before Working Capital changes | | 916.36 | 438.20 | (29.78) |
| Changes In Working Capital | | | | |
| Increase in Trade Payables | | 106.47 | 54.02 | (177.66) |
| Increase in Long term provisions | | 9.02 | (5.79) | 37.57 |
| Increase in Short term provisions | | 177.32 | 52.69 | 30.45 |
| Increase/(Decrease) in Long term liabilities | | - | - | - |
| Increase/(Decrease) in Other current liabilities | | (239.62) | 387.92 | 98.00 |
| (Increase)/Decrease in Trade Receivables | | (165.59) | (354.50) | 96.83 |
| (Increase)/Decrease in Other Current Assets | | (194.48) | 23.61 | (55.95) |
| (Increase)/Decrease in Non Current Assets | | 2.75 | (2.75) | - |
| (Increase)/Decrease in Short term Loans & advances | | 51.87 | (37.01) | (46.02) |
| (Increase)/Decrease in Inventory | | 165.03 | (147.80) | 91.79 |
| Operating (Loss)/Profit after Changes in Working Capital | | (87.23) | (29.60) | 74.98 |
| Less : Income Tax paid | | 235.10 | 59.76 | - |
| Less : Interim Dividend & Tax Paid | | - | - | - |
| Net Cash Generated from Operating Activities | [A] | 594.04 | 348.83 | 45.20 |
| <u>B. Cash flows from Investing Activities</u> | | | | |
| Purchase of Fixed Assets | | (14.54) | (6.46) | (33.80) |
| Sale of Fixed Assets | | - | - | 321.42 |
| Interest on Bank Deposits | | 9.59 | 6.41 | 2.69 |
| Movement in Fixed Deposits | | 74.63 | (89.25) | (12.37) |
| Net Cash from Investing Activities | [B] | 69.68 | (89.30) | 277.94 |
| <u>C. Cash flows from Financing Activities</u> | | | | |
| Issuance of Share Capital | | 88.00 | - | - |
| Interest Expenses | | (5.76) | (6.80) | (28.66) |
| Proceeds/Repayment of Borrowings | | (16.11) | (51.86) | (297.90) |
| Net Cash Generated from Financing Activities | [C] | 66.14 | (58.66) | (326.56) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | [A+B+C] | 729.85 | 200.88 | (3.41) |
| Cash and Cash Equivalents at the Beginning of the year | | 215.37 | 14.49 | 17.90 |
| Cash and Cash Equivalents at the End of the year | | 945.21 | 215.37 | 14.49 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | [D] | 729.85 | 200.88 | (3.41) |
| Components of Cash and Cash Equivalents | | | | |
| Cash in hand | | 11.83 | 3.95 | 6.25 |
| With Banks | | 933.38 | 211.42 | 8.24 |
| Total Cash and Cash Equivalents | [E] | 945.21 | 215.37 | 14.49 |



SECTION V – GENERAL INFORMATION

Our Company was incorporated as Apex Ecotech Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 01, 2009, in Maharashtra- Pune. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024 and the name of our Company was changed from “Apex Ecotech Private Limited” to “Apex Ecotech Limited” vide a fresh Certificate of Incorporation dated July 02, 2024 having CIN U29299PN2009PLC133737 issued by the Registrar of Companies, Central Processing Centre. The registered office of our company is situated at Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune--411017, Maharashtra, India.

For details of changes in registered offices of our Company, please refer to the section titled "Our History and Certain Other Corporate Matters" beginning on page 151 of this Draft Red Herring Prospectus.

| | | | |
|---|---|-----|-----------------------|
| Registered Office | Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017, India. Mobile No.: +91-9175903484 E-mail: info@apexecotech.com Website: www.apexecotech.com | | |
| Corporate Office | Plot No. 3, First Floor. 2 West End Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi, Delhi, India- 110030 Telephone: 011-41664640 E-mail: delhi@apexecotech.com | | |
| CIN | U29299PN2009PLC133737 | | |
| Company Category | Company limited by Shares | | |
| Company Subcategory | Non- Government Company | | |
| Registrar of Companies | Registrar of Companies, Pune PCNTDA Green Building, Block A, 1st and 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune, Maharashtra- 411044 Tel. No.: 020-27651375 Email: roc.pune@mca.gov.in Website: www.mca.gov.in | | |
| Chief Financial Officer | Mr. Rakesh Kaul Plot No. 3, First Floor. 2 West End Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi, Delhi, India- 110030 Tel: +91-9910381457 E-mail: kaul@apexecotech.com | | |
| Company Secretary and Compliance Officer | Ms. Kirti Jain Plot No. 3, First Floor. 2 West End Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi, Delhi, India- 110030 Tel: +91-9999654360 E-mail: cs@apexecotech.com | | |
| Designated Stock Exchange | Emerge Platform of National Stock Exchange of India Limited Address: Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051 | | |
| Bid/ Issue Programme | Bid/ Issue Opens On: | [●] | Bid/ Issue Closes On: |
| | Anchor Investors Bidding Date | | [●] |

Note: Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

| BOOK RUNNING LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|--|---|
|  <p>Share India Capital Services Private Limited Address: A-15, Basement, Sector-64, Gautam Buddha Nagar, Noida – 201301, Uttar Pradesh, India Tel No.: +91-120-4910000 Fax No.: N.A. Email: kunal.bansal@shareindia.co.in Contact Person: Mr. Kunal Bansal Website: www.shareindia.com SEBI Registration No.: INM000012537 CIN: U65923UP2016PTC075987</p> |  <p>KFin Technologies Limited Address: Selenium Tower-B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi, Telengana, Hyderabad – 500032, India Tel No.: +91 40 6716 2222/ 1800 309 4001 Email: apex.ipo@kfintech.com Contact Person: Mr. M. Murali Krishna Website: www.kfintech.com SEBI Registration No.: INR000000221 CIN: L72400TG2017PLC117649</p> |
| PEER REVIEW/ STATUTORY AUDITORS | LEGAL ADVISOR TO THE ISSUE |
| <p>RAMAN CHAWLA AND ASSOCIATES, CHARTERED ACCOUNTANTS Address: 60/2C, Second Floor, Indian Oil Complex, Yusuf Sarai, New Delhi- 110016 Tel. No.: 011-41435260 Email Id: ramanchawlaassociates@gmail.com Contact Person: Mr. Jasmeet Singh Firm Registration No.: 035543N Peer Review No.: 015066</p> |  <p>ABIZCHANCELLOR Law LLP Address: B4/4D, Keshav Puram, Lawrence Road, Delhi- 110035 Tel. No.: +91- 88820-17384 Email Id: adv.Parvindra@gmail.com Contact Person: Adv. Parvindra Nautiyal Enrolment No.: D/958/2020</p> |
| PRINCIPAL BANKERS TO THE COMPANY | MARKET MAKERS |
|  <p>BANK OF INDIA Address: Young Women’s Association Hotel Building, Avenue-21, Saket, New Delhi- 110017 Tel. No.: 011-26564130, 011-28865066 Fax: 011-26564130 Email Id: saket.newdelhi@bankofindia.co.in Contact Person: Ms. Anjali Roy</p> |  <p>SHARE INDIA SECURITIES LIMITED Address: 1701-1703, 17th Floor, Dalal Street Commercial Co-operative Society Limited, Road 5E, Block 53, Zone 5, Gift City, Gandhinagar, Gujarat- 382355, India Tel No.: +91-120-4910000 Email Id: vikas_cs@shareindia.com Website: https://www.shareindia.com/</p> |



Contact Person: Mr. Vikas Aggarwal
SEBI Registration No.: INZ000178336

BANKERS TO THE ISSUE/ REFUND BANK/ SPONSOR BANK

[•]

[•]

BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name | Age | Designation | DIN | Address |
|----------------|--|------------|--|------------|--|
| 1. | Mr. Anuj Dosajh | 60 | Chairman, & Managing Director | 00119225 | C-41, Golf View Apartments, MIG Flats, Saket, South Delhi, Delhi- 110017 |
| 2. | Mr. Ramakrishnan Balasundaram Aiyer | 48 | Executive Director | 02321328 | Jagatap Dairy Road, Divya Heights, Flat No. B-201, Rahatani, Pune, Maharashtra- 411017 |
| 3. | Mr. Ajay Raina | 43 | Executive Director | 02042979 | ATS Tourmaline Flat No. 3041, Sector 109, Near Sobha International City, Bajghera, Gurgaon, Haryana- 122017 |
| 4. | Mr. Rajiv Mathur | 64 | Independent Director | 06931798 | 1543, Sector A, Pocket B and C, Vasant Kunj S.O., South West Delhi, Delhi- 110070 |
| 5. | Ms. Satya Jagannathan | 60 | Independent Director | 10531979 | 302, Balaji Co-op. Housing Society, Plot No. 11/1, Sector- 15, Nerul, Navi Mumbai, Thane, Maharashtra- 400706 |
| 6. | Mr. Ashutosh Anilkumar Vadanagekar | 48 | Independent Director | 06754078 | D-12, Samarhnagar, Sinhagad Road, Narhe- Navale Bridge, Wadgaon Budruk, Pune, Maharashtra- 411041 |
| 7. | Mr. Neeraj Bhagat | 59 | Independent Director | 00297606 | 2023, Sector B-2, Vasant Kunj, Delhi- 110070 |

For detailed profile of our Board of Directors, please see the chapter titled “Our Management” on page 156 of the Draft Red Herring Prospectus.

CHANGES IN AUDITORS DURING THE LAST THREE YEARS

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

| Name of Auditor | Appointment/ Resignation | Date of Appointment/ Resignation | Reason |
|--------------------------------|-----------------------------|--|--|
| M/s. C R Sagdeo & Co. | Resignation | March 11, 2021 | Resignation due to staff deployment |
| M/s. Raman Chawla & Associates | Appointment | March 19, 2021 | Appointment to fill casual vacancy |
| M/s. Raman Chawla & Associates | Re-Appointment | November 30, 2021 | Reappointment as the statutory auditor for a period of five years. |

INVESTOR GRIEVANCES

Investors can contact the Compliance Officer or the Book Running Lead Manager 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 Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, UPI ID, PAN, date of submission of the Application Form, address of the Applicant, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant and ASBA Account number (for Applicants other than RIIs using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue book running lead manager are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Manager, giving full details such as the name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of



the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Application Amount paid on submission of the Application Form and the name and address of the Book Running Lead Manager where the Application Form was submitted by the Anchor Investor.

FILING OF DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS WITH BOARD AND REGISTRAR OF COMPANIES

The Issue Document will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Issue Document shall be furnished to the Board (SEBI) in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC Pune at PCNTDA Green Building, Block A, 1st and 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune, Maharashtra- 411044.

SELF-CERTIFIED SYNDICATE BANKS

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

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Applications can be submitted by RIIs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Applications, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website Stock Exchange, a National Stock Exchange of India Limited at www.nseindia.com as updated from time to time.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS



The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of National Stock Exchange of India Limited at www.nseindia.com as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18for> CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

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

GREEN SHOE OPTION

No Green Shoe option is applicable for this Issue.

IPO GRADING

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

BROKERS TO THE ISSUE

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

DEBENTURE TRUSTEE

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

EXPERT OPINION

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

Our Company has received written consent dated July 12, 2024 from Peer Review Auditor namely, M/s Raman Chawla & Associates, Chartered Accountants (FRN: 035543N), and written consent dated July 12, 2024 from M/S ABIZCHANCELLOR Law LLP represented by Advocate Parvindra Nautiyal, (Enrollment no.: D/958/2020) respectively, to include their name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act 2013. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act



The Peer Review Auditor M/s Raman Chawla & Associates, Chartered Accountants has given its Audit report as included in this Draft Red Herring Prospectus, in relation to the Restated Financial Statements dated July 18, 2024 and the statement of Special Tax Benefits dated July 18, 2024.

Further, ABIZCHANCELLOR Law LLP has given his legal due diligence report, as included in this Draft Red Herring Prospectus, in relation to the Outstanding Litigations and Material Developments dated July 24, 2024.

Aforementioned consents have 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. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

APPRAISAL AND MONITORING AGENCY

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

BOOK BUILDING PROCESS

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus/ Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLM, and will be advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper and [●] editions in regional language where our Registered Office is located, each with wide circulation, at least two working days prior to the Bid/ Issue Opening Date. The Issue Price shall be finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Issue through UPI in the ASBA process. 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.

Each Bidder by submitting a Bid in Issue, will be deemed to have acknowledged the above restrictions and the Terms of the Issue.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure Bids for this Issue. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Issue.

Bidders should note that this Issue is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled “Issue Structure” and “Issue Procedure” beginning on pages 301 and 260, respectively of this Draft Red Herring Prospectus.

ILLUSTRATION OF BOOK BUILDING PROCESS AND THE 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 260 of this Draft Red Herring Prospectus.

UNDERWRITING AGREEMENT

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated July 12, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Name, Address, Telephone, Fax, and Email of the Underwriter | Indicative No. of Equity Shares to Be Underwritten | Amount Underwritten (₹ In Lakh) | % of the Total Issue Size Underwritten |
|---|--|---------------------------------|--|
| Share India Capital Services Private Limited A-15, Basement, Sector - 64, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301 Tel.: +91 120-4910000 Investor grievance id: info@shareindia.com Email: kunal.bansal@shareindia.co.in Website: www.shareindia.com Contact person: Mr. Kunal Bansal SEBI registration number: INM000012537 | Up to 35,00,000* | [●] | 100.00% |

**Includes 2,00,000 Equity shares of Rs. 10.00 each for the cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Share India Securities Limited vide their agreement dated July 12, 2024, in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations, 2018 as amended.*



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

WITHDRAWAL OF THE ISSUE

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

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the BRLM have entered into a tripartite agreement dated July 12, 2024, with Share India Securities Limited, the Market Maker for this Issue, duly registered with NSE Emerge to full fill the obligations of Market Making:

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. In terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Issue). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.

4. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
5. There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.
6. The Market Maker shall not selling lots less than the minimum contract size allowed for trading on the Emerge Platform of NSE and the same may be changed by the Emerge Platform of NSE from time to time.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by them.
8. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on Emerge Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
9. The Market Maker shall start providing quotes from the day of the listing/ the day when designated as the Market Maker for their respective scrip and shall be subject to the guidelines laid down for market making by the SME Exchange.
10. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
11. Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of Apex Ecotech or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
12. The Promoters' holding in Apex Ecotech Equity Shares shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding in Apex Ecotech which is not locked-in as per the SEBI (ICDR) Regulations, as amended, can be traded with prior permission of the Emerge Platform of NSE, and in the manner specified by SEBI from time to time.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Company at any particular level and is purely supposed to facilitate liquidity on the counter of Apex Ecotech via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

The Market Maker shall be allowed to terminate this Agreement by giving a written notice to BRLM, two months prior to the date from which he wishes to discontinue his services. Provided however that, if BRLM agrees to the same, the notice period may be reduced in order to provide mutual comfort. Provided further that, the Market Maker may be replaced with a successor Market Maker, which is acceptable to NSE, BRLM and the Issuer Company from time to time.

In case of termination of the agreement prior to the completion of the compulsory Market Making



period, it shall be the responsibility of BRLM to arrange another Market Maker in replacement during the term of the notice period being served by the current Market Maker (i.e. Share India Securities Limited) 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. In such a case, revised agreement like this one shall have to be entered into and this too shall be the responsibility of BRLM. However, certain terms and conditions may be modified on mutual consent of the Issuer Company and the Book Running Lead Manager, subject to such modifications being legal and allowed under the then applicable laws, rules and regulations.

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

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

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

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

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

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



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

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SECTION VI –CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on 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 | Authorised Share Capital | 1,500.00 | - |
| | 1,50,00,000 Equity Shares of face value of ₹ 10/- each | | |
| B | Issued, Subscribed and Paid-Up Share Capital Before the Issue | 968.60 | - |
| | 96,86,000 fully paid- up Equity Shares of face value of ₹ 10/- each | | |
| C | Present Issue in terms of this Draft Red Herring Prospectus | 350.00 | [●] |
| | Up to 35,00,000 Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share ^{^1^2} | | |
| <i>Of which:</i> | | | |
| D | Reservation for Market Maker Portion – 2,00,000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share reserved as Market Maker Portion | [●] | [●] |
| E | Net Issue to Public | [●] | [●] |
| | Net Issue to Public of 33,00,000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share to the Public | | |
| | <i>Of which:</i> ^{^3} | | |
| | At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be available for allocation to Retail- Individual Investors. | | |
| | At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be available for allocation to Non- Individual Investors. | | |
| | Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share 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 Share Capital After the Issue | 1,318.60 | |
| | 1,31,86,000 Equity Shares of face value of ₹ 10/- each | | |
| G | SECURITIES PREMIUM ACCOUNT | 82.50 | |
| | Before the Issue (as on date of this Draft Red Herring Prospectus) | | |
| | After the Issue | | |

1. To be updated upon finalization of Issue Price.
2. The Present Issue of up to 35,00,000 Equity Shares in terms of this Draft Red Herring Prospectus has

been authorized pursuant to a resolution of our Board dated July 06, 2024, and by Special Resolution passed under Section 23 and Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on July 11, 2024.

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

Class of Shares: -

The Company has only one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All equity shares issued 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. History of Changes in Authorized Equity Share Capital of our Company:

Since the incorporation of our Company, the Authorized share capital of our Company has been altered in the manner set forth below:

| Sr. No. | Date | No. of Shares | Face Value (in ₹) | Cumulative No. of Shares | Cumulative Authorised Share Capital (in ₹) | Whether AGM/EGM |
|---------|--------------------|---------------|-------------------|--------------------------|--|-----------------|
| 1 | On Incorporation* | 1,00,000 | 10 | 1,00,000 | 10,00,000 | N.A. |
| 2 | December 01, 2009 | 9,00,000 | 10 | 10,00,000 | 1,00,00,000 | EGM |
| 3 | September 30, 2016 | 5,00,000 | 10 | 15,00,000 | 1,50,00,000 | AGM |
| 4 | January 17, 2024 | 1,35,00,000 | 10 | 1,50,00,000 | 15,00,00,000 | EGM |

*The date of incorporation of our Company is April 01, 2009.

2. History of Paid-Up Equity Share Capital of our Company:

| Date of Allotment of the Equity shares | No. of Equity Shares Allotted | Face Value (in ₹) | Issue Price (in ₹) | Nature of Allotment | Nature of Consideration | Cumulative No. of Shares | Cumulative Paid-up Capital (in ₹) | Cumulative security premium (in ₹) |
|--|-------------------------------|-------------------|--------------------|------------------------------------|-------------------------|--------------------------|-----------------------------------|------------------------------------|
| On Incorporation | 1,00,000 | 10 | 10 | Subscription to MOA ⁽¹⁾ | Cash | 1,00,000 | 10,00,000 | Nil |
| March 31, 2010 | 1,50,000 | 10 | 10 | Right ⁽²⁾ Issue | Cash | 2,50,000 | 25,00,000 | Nil |
| January 25, 2011 | 3,13,600 | 10 | 10 | Right ⁽³⁾ Issue | Cash | 5,63,600 | 56,36,000 | Nil |
| September 29, 2016 | 3,50,000 | 10 | 10 | Right ⁽⁴⁾ Issue | Cash | 9,13,600 | 91,36,000 | Nil |
| March 22, 2024 | 55,000 | 10 | 160 | Private Placement ⁽⁵⁾ | Cash | 9,68,600 | 96,86,000 | 82,50,000 |



| | | | | | | | | |
|---------------|-----------|----|----|----------------------------|-----------------|-----------|-------------|-----|
| July 18, 2024 | 87,17,400 | 10 | NA | Bonus Issue ⁽⁶⁾ | Other than cash | 96,86,000 | 9,68,86,000 | Nil |
|---------------|-----------|----|----|----------------------------|-----------------|-----------|-------------|-----|

- (1) Initial Subscribers to Memorandum of Association held Equity Shares each of face value of ₹ 10/- fully paid up as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|---------------------------------|------------------------|
| 1. | Anuj Dosajh | 40,500 |
| 2. | Ajay Raina | 16,000 |
| 3. | Shivakumar Aiyer | 19,000 |
| 4. | Ramakrishnan Balasundaram Aiyer | 24,500 |
| | Total | 1,00,000 |

- (2) The Company allotted 1,50,000 Equity Shares of face value of ₹ 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|---------------------------------|------------------------|
| 1. | Anuj Dosajh | 60,750 |
| 2. | Ajay Raina | 24,000 |
| 3. | Shivakumar Aiyer | 36,750 |
| 4. | Ramakrishnan Balasundaram Aiyer | 28,500 |
| | Total | 1,50,000 |

- (3) The Company allotted 3,13,600 Equity Shares of face value of ₹ 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|---------------------------------|------------------------|
| 1. | Anuj Dosajh | 76,832 |
| 2. | Ajay Raina | 50,176 |
| 3. | Shivakumar Aiyer | 59,584 |
| 4. | Ramakrishnan Balasundaram Aiyer | 76,832 |
| 5. | Lalit Mohan Datta | 50,176 |
| | Total | 3,13,600 |

- 4) The Company allotted 3,50,000 Equity Shares of face value of ₹ 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|---------------------------------|------------------------|
| 1. | Anuj Dosajh | 1,05,700 |
| 2. | Ajay Raina | 69,300 |
| 3. | Ramakrishnan Balasundaram Aiyer | 1,05,700 |
| 4. | Lalit Mohan Datta | 69,300 |
| | Total | 3,50,000 |

- 5) The Company allotted 55,000 Equity Shares of face value of ₹ 10/- each for at issue price of Rs. 160 as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|----------------|------------------------|
|---------|----------------|------------------------|

| | | |
|----|---|---------------|
| 1. | Sangeeta Pareekh | 27,500 |
| 2. | Securocrop Securities India Private Limited | 27,500 |
| | Total | 55,000 |

6) The Company thereafter Issued 87,17,400 Equity shares of face value of ₹ 10/- each on July 11, 2024, in the ratio of 9:1 i.e., 9 Bonus Equity Shares for 1 Equity Share held as per details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|---|------------------------|
| 1. | Anuj Dosajh | 24,83,163 |
| 2. | Ajay Raina | 16,27,677 |
| 3. | Ramakrishnan Balasundaram Aiyer | 24,83,163 |
| 4. | Lalit Mohan Datta | 16,28,037 |
| 5. | Poonam Dosajh | 90 |
| 6. | Monica Bhat | 90 |
| 7. | Asha Aiyer | 90 |
| 8. | Ruby Datta | 90 |
| 9. | Sangeeta Pareekh | 2,47,500 |
| 10. | Securocrop Securities India Private Limited | 2,47,500 |
| | Total | 87,17,400 |

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3. Shareholding of the Promoters of our Company

As on the date of the Draft Red Herring Prospectus, our Promoters – Mr. Anuj Dosajh, Mr. Ajay Raina, Mr. Ramakrishnan Balasundaram Aiyer and Mr. Lalit Mohan Datta, hold total 91,35,600 Equity Shares representing 94.32% of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

| Date of Allotment/ Transfer | Nature of Transaction/ Issue | Face Value per equity share (In ₹) | Issue/ Transfer price per share (In ₹) | No. of Equity Shares | Consideration | % of pre issue capital | % of post issue capital | Name of Transferor/ Transferee |
|--|---------------------------------|--|---|-------------------------|-----------------|------------------------------|----------------------------------|-------------------------------------|
| Mr. Anuj Dosajh | | | | | | | | |
| On Incorporation | Subscription to the MOA | 10 | 10 | 40,500 | Cash | 0.42% | 0.31% | - |
| 31.03.2010 | Allotment | 10 | 10 | 60,750 | Cash | 0.63% | 0.46% | - |
| 02.04.2010 | (Transfer) | 10 | 10 | -40,000 | Cash | (0.41%) | -0.30% | Transferee-Mr. Lalit Mohan Datta |
| 25.01.2011 | Allotment | 10 | 10 | 76,832 | Cash | 0.79% | 0.58% | - |
| 16.12.2013 | Acquired by Transfer | 10 | 10 | 32,125 | Cash | 0.33% | 0.24% | Transferor-Mr. Shivakumar Aiyer |
| 29.09.2016 | Allotment | 10 | 10 | 1,05,700 | Cash | 1.09% | 0.80% | - |
| 18.07.2024 | Allotment | 10 | NA | 24,83,163 | Other than Cash | 25.64% | 18.83% | - |
| Total | | | | 27,59,070 | | 28.49% | 20.92% | |
| Mr. Ramakrishnan Balasundaram Aiyer | | | | | | | | |
| On Incorporation | Subscription to the MOA | 10 | 10 | 24,500 | Cash | 0.25% | 0.19% | - |
| 31.03.2010 | Allotment | 10 | 10 | 28,500 | Cash | 0.29% | 0.22% | - |
| 02.04.2010 | Acquired by Transfer | 10 | 10 | 8,250 | Cash | 0.09% | 0.06% | Transferor-Mr. Shivakumar Aiyer |
| 25.01.2011 | Allotment | 10 | 10 | 76,832 | Cash | 0.79% | 0.58% | - |
| 16.12.2013 | Acquired by Transfer | 10 | 10 | 32,125 | Cash | 0.33% | 0.24% | Transferor-Mr. Shivakumar Aiyer |
| 29.09.2016 | Allotment | 10 | 10 | 1,05,700 | Cash | 1.09% | 0.80% | - |
| 18.07.2024 | Bonus Issue | 10 | NA | 24,83,163 | Other than Cash | 25.64% | 18.83% | - |
| Total | | | | 27,59,070 | | 28.49% | 20.92% | |



| Mr. Ajay Raina | | | | | | | | |
|-----------------------|-------------------------|----|-----|------------------|-----------------|---------------|---------------|---------------------------------|
| On Incorporation | Subscription to the MOA | 10 | 10 | 16,000 | Cash | 0.17% | 0.12% | - |
| 31.03.2010 | Allotment | 10 | 10 | 24,000 | Cash | 0.25% | 0.18% | - |
| 25.01.2011 | Allotment | 10 | 10 | 50,176 | Cash | 0.52% | 0.38% | - |
| 16.12.2013 | Acquired by Transfer | 10 | 10 | 21,417 | Cash | 0.22% | 0.16% | Transferor-Mr. Shivakumar Aiyer |
| 29.09.2016 | Allotment | 10 | 10 | 69,300 | Cash | 0.72% | 0.53% | - |
| 02.03.2024 | (Transfer) | 10 | 160 | -10 | Cash | (0.00%) | 0.00% | Transferee-Mrs. Poonam Dosajh |
| 02.03.2024 | (Transfer) | 10 | 160 | -10 | Cash | (0.00%) | 0.00% | Transferee-Mrs. Asha Aiyer |
| 02.03.2024 | (Transfer) | 10 | 160 | -10 | Cash | (0.00%) | 0.00% | Transferee-Mrs. Ruby Datta |
| 18.03.2024 | (Transfer) | 10 | 160 | -10 | Cash | (0.00%) | 0.00% | Transferee-Mrs. Monica Bhat |
| 18.07.2024 | Allotment | 10 | NA | 16,27,677 | Other than Cash | 16.80% | 12.34% | |
| Total | | | | 18,08,530 | | 18.67% | 13.72% | |
| Mr. Lalit Mohan Datta | | | | | | | | |
| 02.04.2010 | Acquired by Transfer | 10 | 10 | 40,000 | Cash | 0.41% | 0.30% | Transferor-Mr. Anuj Dosajh |
| 25.01.2011 | Allotment | 10 | 10 | 50,176 | Cash | 0.52% | 0.38% | - |
| 16.12.2013 | Acquired by Transfer | 10 | 10 | 21,417 | Cash | 0.22% | 0.16% | Transferor-Mr. Shivakumar Aiyer |
| 29.09.2016 | Allotment | 10 | 10 | 69,300 | Cash | 0.72% | 0.53% | - |
| 18.07.2024 | Allotment | 10 | NA | 16,28,037 | Other than Cash | 16.81% | 12.35% | |
| Total | | | | 18,08,930 | | 18.68% | 13.72% | |

All the Equity Shares held by our Promoters are fully paid-up and none of the Equity Shares held by our Promoters are under pledged.

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1. Our shareholding pattern

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

| Category Code | Category of shareholder | No. of shareholder | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Share holding as a % of total no. of shares (calculated as per SCR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2) | Number of locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form |
|---------------|--------------------------------|--------------------|---|--|--|------------------------|--|---|----------|------------------|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No. of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (B) | No. (a) | As a % of total shares held (B) | |
| | | | | | | | | Class X | Class Y | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII= IV+V+VI | VIII | IX | | | | X | XI=VII+X | XII | | XIII | | XIV |
| (A) | Promoters and Promoter Group | 8 | 91,36,000 | - | - | 91,36,000 | 94.32% | 91,36,000 | - | 91,36,000 | 94.32 | - | 94.32 | - | - | - | - | 91,36,000 |
| (B) | Public | 2 | 5,50,000 | - | - | 5,50,000 | 5.68% | 5,50,000 | - | 5,50,000 | 5.68 | - | 5.68 | - | - | - | - | 5,50,000 |
| (C) | Non-Promoter Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 10 | 96,86,000 | - | - | 96,86,000 | 100.00 | 96,86,000 | - | 96,86,000 | 100.00 | - | 100.00 | - | - | - | - | 96,86,000 |

*As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.

Note:

In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, our Company have all the shares in dematerialized form.

- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such Equity Shares.

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

| Sr. No. | Name of Shareholders | Pre- Issue | | Post Issue | |
|----------------------------|---|----------------------|--------------------------|----------------------|--------------------------|
| | | No. of equity shares | As a % of Issued Capital | No. of equity shares | As a % of Issued Capital |
| Promoters | | | | | |
| 1 | Anuj Dosajh | 27,59,070 | 28.49% | 27,59,070 | 20.92% |
| 2 | Ramakrishnan Balasundaram Aiyer | 27,59,070 | 28.49% | 27,59,070 | 20.92% |
| 3 | Ajay Raina | 18,08,530 | 18.67% | 18,08,530 | 13.72% |
| 4 | Lalit Mohan Datta | 18,08,930 | 18.68% | 18,08,930 | 13.72% |
| Total- A | | 91,35,600 | 94.32% | 91,35,600 | 69.28% |
| Promoter Group | | | | | |
| 5 | Poonam Dosajh | 100 | 0.00% | 100 | 0.00% |
| 6 | Monica Bhat | 100 | 0.00% | 100 | 0.00% |
| 7 | Asha Aiyer | 100 | 0.00% | 100 | 0.00% |
| 8 | Ruby Datta | 100 | 0.00% | 100 | 0.00% |
| Total- B | | 400 | 0.00% | 400 | 0.00% |
| Public | | | | | |
| 9 | Sangeeta Pareekh | 2,75,000 | 2.84% | 2,75,000 | 2.09% |
| 10 | Securecrop Securities India Private Limited | 2,75,000 | 2.84% | 2,75,000 | 2.09% |
| 11 | IPO | - | - | 35,00,000 | 26.54% |
| Total- C | | 5,50,000 | 5.68% | 40,50,000 | 30.71% |
| Grand Total (A+B+C) | | 96,86,000 | 100.00 | 1,31,86,000 | 100.00% |

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

| Name of the Promoter | No. of Shares held | Average Cost of Acquisition* (in ₹) |
|---------------------------------|--------------------|-------------------------------------|
| Anuj Dosajh | 27,59,070 | 1.00 |
| Ramakrishnan Balasundaram Aiyer | 27,59,070 | 1.00 |
| Ajay Raina | 18,08,530 | 1.00 |
| Lalit Mohan Datta | 18,08,930 | 1.00 |

Note: For buildup of capital, please refer note no. 3 on page 75 above.

*As certified by M/s Raman Chawla Associates, Chartered Accountants, Statutory Auditors, by way of their certificate dated July 19, 2024 bearing UDIN No. 24549076BKECTN9860.

- Details of Major Shareholders:

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

| Sr. No. | Name of the Shareholders | No. of Shares | % of paid up capital |
|---------|---------------------------------|---------------|----------------------|
| 1. | Anuj Dosajh | 27,59,070 | 28.49% |
| 2. | Ramakrishnan Balasundaram Aiyer | 27,59,070 | 28.49% |
| 3. | Ajay Raina | 18,08,530 | 18.67% |

| | | | |
|----|---|-----------|--------|
| 4. | Lalit Mohan Datta | 18,08,930 | 18.68% |
| 5. | Sangeeta Pareekh | 2,75,000 | 2.84% |
| 6. | Securocrop Securities India Private Limited | 2,75,000 | 2.84% |

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

| Sr. No. | Name of the Shareholders | No. of Shares | % of paid up capital |
|---------|---|---------------|----------------------|
| 1. | Anuj Dosajh | 27,59,070 | 28.49% |
| 2. | Ramakrishnan Balasundaram Aiyer | 27,59,070 | 28.49% |
| 3. | Ajay Raina | 18,08,530 | 18.67% |
| 4. | Lalit Mohan Datta | 18,08,930 | 18.68% |
| 5. | Sangeeta Pareekh | 2,75,000 | 2.84% |
| 6. | Securocrop Securities India Private Limited | 2,75,000 | 2.84% |

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

| Sr. No. | Name of the Shareholders | No. of Shares | % of paid up capital |
|---------|---------------------------------|---------------|----------------------|
| 1. | Anuj Dosajh | 2,75,907 | 30.20% |
| 2. | Ramakrishnan Balasundaram Aiyer | 2,75,907 | 30.20% |
| 3. | Ajay Raina | 1,80,893 | 19.80% |
| 4. | Lalit Mohan Datta | 1,80,893 | 19.80% |

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

| Sr. No. | Name of Person | Nos. of shares allotted | Face Value (in ₹) | Issue Price (in ₹) | Date of Allotment | Reason for Allotment | Benefit occurred to Issue |
|---------|---------------------------------|-------------------------|-------------------|--------------------|-------------------|----------------------|---------------------------|
| 1. | Anuj Dosajh | 24,83,163 | 10.00 | Nil | 18.07.2024 | Bonus Issue | Capitalisation of Reserve |
| 2. | Ramakrishnan Balasundaram Aiyer | 24,83,163 | 10.00 | | | | |
| 3. | Ajay Raina | 16,27,677 | 10.00 | | | | |
| 4. | Lalit Mohan Datta | 16,28,037 | 10.00 | | | | |
| 5. | Poonam Dosajh | 90 | 10.00 | | | | |
| 6. | Monica Bhat | 90 | 10.00 | | | | |
| 7. | Asha Aiyer | 90 | 10.00 | | | | |
| 8. | Ruby Datta | 90 | 10.00 | | | | |
| 9. | Sangeeta Pareekh | 2,47,500 | 10.00 | | | | |

| | | | | | | |
|----|---|------------------|-------|--|--|--|
| 10 | Securocrop Securities India Private Limited | 2,47,500 | 10.00 | | | |
| | Total | 87,17,400 | | | | |

9. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
10. We have 10 (Ten) shareholders as on the date of filing of this Draft Red Herring Prospectus.
11. As on the date of this Draft Red Herring Prospectus, our Promoter and Promoters Group hold total 91,36,000 Equity Shares representing 94.32% of the pre-issue paid up share capital of our Company.
12. Except as provided below, none of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus.

| Date of Allotment/ Transfer | Name of Allottee/ Transferee | Nos. of Equity Share allotted/ transferred | % of Pre Issue Capital | Nature of Transaction | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|---------------------------------|--|------------------------|---|---|
| July 11, 2024 | Anuj Dosajh | 24,83,163 | 25.64% | Allotment of Bonus Shares in the ratio of 9:1 | Promoter |
| | Ramakrishnan Balasundaram Aiyer | 24,83,163 | 25.64% | | Promoter |
| | Ajay Raina | 16,27,677 | 16.80% | | Promoter |
| | Lalit Mohan Datta | 16,28,037 | 16.81% | | Promoter |
| | Poonam Dosajh | 90 | 0.00% | | Promoter Group |
| | Monica Bhat | 90 | 0.00% | | Promoter Group |
| | Asha Aiyer | 90 | 0.00% | | Promoter Group |
| | Ruby Datta | 90 | 0.00% | | Promoter Group |

| Date of Allotment/ Transfer | Name of Allottee/ Transferee | Party Category | Nos. of Equity Share allotted/ transferred | % of Pre Issue Capital | Nature of Transaction | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|------------------------------|----------------|--|------------------------|-----------------------|---|
| March 18, 2024 | Monica Bhat | Promoter Group | 10 | 0.00% | Cash | Transfer from Ajay Raina (Promoter) |
| March 02, 2024 | Ruby Datta | Promoter Group | 10 | 0.00% | Cash | |
| March 02, 2024 | Poonam Dosajh | Promoter Group | 10 | 0.00% | Cash | |

| | | | | | | |
|----------------|------------|----------------|----|-------|------|--|
| March 02, 2024 | Asha Aiyer | Promoter Group | 10 | 0.00% | Cash | |
|----------------|------------|----------------|----|-------|------|--|

13. The members of the Promoters 'Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.
14. As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
15. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
16. Details of Promoter's Contribution locked in for three years:

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

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

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

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

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

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

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

The details of the Equity Shares held by our Promoter, which are locked in for a period of three years from the date of Allotment in the Offer are given below:

| Number of Equity Shares locked-in | Nature of Allotment/ Transfer | Date of Allotment and Date when made fully paid-up | Face Value (in ₹) | Offer/ Acquisition Price per Equity | Nature of consideration (cash/ other than cash) | % of fully diluted post-Offer paid-up capital | Period of lock-in |
|-----------------------------------|-------------------------------|--|-------------------|-------------------------------------|---|---|-------------------|
|-----------------------------------|-------------------------------|--|-------------------|-------------------------------------|---|---|-------------------|

| | | | | Share (in ₹) | | | |
|--|-------------|------------|----|--------------|-----------------|-------|-----|
| Anuj Dosajh | | | | | | | |
| 7,98,000 | Bonus Issue | 18.07.2024 | 10 | Nil | Other than Cash | 6.05% | [●] |
| Ramakrishnan Balasundaram Aiyer | | | | | | | |
| 7,96,000 | Bonus Issue | 18.07.2024 | 10 | Nil | Other than Cash | 6.04% | [●] |
| Ajay Raina | | | | | | | |
| 5,22,000 | Bonus Issue | 18.07.2024 | 10 | Nil | Other than Cash | 3.96% | [●] |
| Lalit Mohan Datta | | | | | | | |
| 5,22,000 | Bonus Issue | 18.07.2024 | 10 | Nil | Other than Cash | 3.96% | [●] |

* Subject to finalisation of Basis of Allotment.

The Equity Shares that are being locked in are not ineligible for computation of Promoters contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters contribution are not subject to pledge. Lock-in period shall commence from the date of allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for 3 years does not consist of:

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

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

Equity Shares locked-in for one year

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the promoters and public pre-issue shareholding of Equity Share capital of our Company, *i.e.* 70,48,000 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

Pledge of Locked in Equity Shares

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our

Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

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

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

Transferability of Locked in Equity Shares:

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

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

17. Our Company, our Promoters, our Directors and the BRLM to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
18. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
19. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
20. There are no safety net arrangements for this public Offer.
21. 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 financial instruments into our Equity Shares.
22. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a

result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

23. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
24. As per RBI regulations, OCBs are not allowed to participate in this Issue.
25. There is no Buyback, stand by, or similar arrangement by our Company/Promoters/Directors/BRLM for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.
26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
27. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
28. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and NSE.
29. The Issue is being made through Book Building Method.
30. BRLM to the Issue viz. Share India Capital Services Private Limited and its associates do not hold any Equity Shares of our Company.
31. Our Company has not raised any bridge loan against the proceeds of this Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.



39. For the details of transactions by our Company with our Promoter Group, Group Companies during last three years ended on March 31, 2024, March 31, 2023 & March 31 2022 Fiscals, please refer to paragraph titled *—Related Party Transaction* in the chapter titled *“Financial Statements as Restated”* beginning on page number 185 of this Draft Red Herring Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled *“Our Management”* beginning on page 156 of this Draft Red Herring Prospectus.

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SECTION VII –PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue constitutes a public Issue of up to 35,00,000 Equity Shares of our Company at an Issue Price of ₹ [●]/- per Equity Share.

FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To meet Working Capital Requirements
2. General corporate purposes
3. To meet Public Issue Expenses

(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 Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Apex Ecotech Limited is an ISO 9001:2015 certified company. It is fronted by experienced & knowledgeable engineering professionals and undertakes turnkey projects in the industry providing comprehensive solutions for water & wastewater treatment, recycling and reuse for myriad applications. Our services include setting up Raw Water Treatment for industrial processes, Effluent & Sewage Treatment Plants to meet pollution norms, providing Sludge Dewatering Equipment, recycling of pretreated wastewater through Membrane systems (Ultrafiltration, Nano Filtration, Reverse Osmosis, Disc Type RO etc.) and Thermal / Vapor Compression-based Evaporators & Crystallizers for Zero Liquid Discharge Systems. Furthermore, we offer and provide after sales support along with Operation & Maintenance services to our clients.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “**Net Issue Proceeds**”).

The following table summarizes the requirement of funds:

| Particulars | Amount (₹ in) Lakhs |
|--------------------------------------|---------------------|
| Gross Issue Proceeds* | [●] |
| Less: Public Issue Related Expenses# | [●] |
| Net Issue Proceeds* | [●] |

**Subject to finalisation of basis of allotment.*

Up to July 24, 2024, our Company has deployed/incurred expense of ₹ 5.00/- lakhs towards Issue Expenses duly certified by Statutory Auditor M/s. Raman Chawla and Associates, Chartered Accountants vide its certificate dated July 25, 2024, bearing UDIN: 24549076BKECTP7343.

UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

| Sr. No. | Particulars | Amount (₹ in Lakhs) | % of Gross Issue* Proceeds |
|---------------------------|--------------------------------------|------------------------|-------------------------------|
| 1. | To Meet Working Capital Requirements | 1,700.00 | [●] |
| 2. | General corporate purposes# | [●] | [●] |
| Net Issue Proceeds | | [●] | [●] |

*Subject to finalization of Price at the time of filing of Prospectus.

#The amount to be utilised for general corporate purposes will not exceed 25% of the gross proceeds.

MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

| Sr. No. | Particulars | Amount (₹ in Lakhs) | From IPO Proceeds | Internal Accruals/ Equity Reserves |
|---------------------------|--------------------------------------|------------------------|----------------------|---------------------------------------|
| 1. | To Meet Working Capital Requirements | 3,464.41 | 1,700.00 | 1,764.41* |
| 2. | General corporate purposes | [●] | [●] | 0 |
| 3. | Public Issue Expenses | [●] | [●] | 0 |
| Net Issue Proceeds | | [●] | [●] | 1,764.41* |

*Subject to finalization of Price at the time of filing of Prospectus.

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any part of unsecured loan outstanding as on date of Draft Red Herring Prospectus. 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 refer section titled "Risk Factors" beginning on Page 24 of this Draft Red Herring Prospectus.

DETAILS OF USE OF ISSUE PROCEEDS

1. TO MEET WORKING CAPITAL REQUIREMENTS:

Our Company is fronted by experienced & knowledgeable engineering professionals and undertakes turnkey projects in the industry providing comprehensive solutions for water & wastewater treatment, recycling and reuse for myriad applications. Our services include setting up Raw Water Treatment for industrial processes, Effluent & Sewage Treatment Plants to meet pollution norms, providing Sludge Dewatering Equipment, recycling of pretreated wastewater through Membrane systems (Ultrafiltration, Nano Filtration, Reverse Osmosis, Disc Type RO etc.) and Thermal / Vapor Compression-based Evaporators & Crystallizers for Zero Liquid Discharge Systems. Furthermore, we offer and provide after sales support along with Operation & Maintenance services to our clients.

Net Working Capital requirement of our Company for March 31, 2022, March 31, 2023, and March 31, 2024 were ₹ 316.50/- lakhs, ₹ 641.22/- lakhs, and ₹ 1,392.78/- lakhs respectively. The Net Working capital requirements for the FY 2024-25 is estimated to be ₹ 3,464.41/- lakhs.

Our Company proposes to utilise ₹ 1,700.00/- lakhs of the Net Proceeds for our estimated working capital requirements for FY 2024-25. The Company will meet the requirement to the extent of ₹ 1,700.00/- lakhs from the Net Proceeds of the Issue and balance from internal accruals at an appropriate time as per the requirement. The balance portion of our Company working capital requirement shall be met from the internal accruals. The estimated working capital requirements and key assumptions with respect to the determination of the same are mentioned below.

Basis of estimation of working capital requirement and estimated working capital requirement:

(Amount in ₹ Lakhs)

| Sr. No. | Particulars | Restated Basis | | | Projected |
|-----------|--|----------------|-----------------|-----------------|-----------------|
| | | 31-Mar-22 | 31-Mar-23 | 31-Mar-24 | F.Y. 2024-25 |
| I | Current Assets | | | | |
| | Inventories | 192.74 | 340.55 | 175.52 | 690.20 |
| | Trade Receivables | 346.58 | 701.08 | 866.67 | 1,175.00 |
| | Cash and Cash Equivalents | | | | |
| | Cash in Hand & Bank Balance | 14.49 | 215.37 | 191.24 | 275.00 |
| | Fixed Deposits (Lien Free) | - | - | 753.97 | 550.00 |
| | Deposits with Banks and Other Bank Balance | 52.63 | 141.88 | 67.24 | 1,361.07 |
| | Short Term Loans & Advances | 65.06 | 102.07 | 50.21 | 151.20 |
| | Other Current Assets | 138.68 | 115.07 | 309.54 | 514.19 |
| | Total (A) | 810.18 | 1,616.00 | 2,414.39 | 4,716.66 |
| II | Current Liabilities | | | | |

| | | | | | |
|------------|--------------------------------------|---------------|---------------|-----------------|-----------------|
| | Short Term Borrowings | 33.05 | 19.51 | 22.18 | 8.87 |
| | Trade Payables | 213.20 | 267.22 | 373.69 | 423.74 |
| | Other Current Liabilities | 217.00 | 604.91 | 365.29 | 438.35 |
| | Short-Term Provisions | 30.45 | 83.14 | 260.46 | 381.29 |
| | Total (B) | 493.68 | 974.78 | 1,021.62 | 1,252.25 |
| III | Net Working Capital Gap (A-B) | 316.50 | 641.22 | 1,392.78 | 3,464.41 |
| IV | Internal Accruals | 316.50 | 641.22 | 1,392.78 | 1,764.41 |
| V | IPO Proceeds | - | - | - | 1,700.00 |

Source: Based on certificate by Statutory Auditor, M/s. Raman Chawla and Associates, Chartered Accountants vide its certificate dated July 19, 2024, bearing UDIN: 24549076BKECTQ2984.

Assumptions for working capital requirement:

(In days)

| Particulars | Holding level for year/ period ended | | | |
|--------------------------------|--------------------------------------|-----------|-----------|-----------|
| | (Restated Basis) | | | Projected |
| | 31-Mar-22 | 31-Mar-23 | 31-Mar-24 | 31-Mar-25 |
| Sundry Debtor Holding Period | 65 | 74 | 60 | 60 |
| Inventory Holding Period | 55 | 54 | 18 | 54 |
| Sundry Creditor Holding Period | 61 | 43 | 38 | 33 |

Note:

1. Holding period level (in days) of Sundry Debtor is calculated by dividing Trade Receivable by Revenue from Operations multiplied by number of days in the year/period.
2. Holding period level (in days) of Inventory is calculated by dividing Inventory by Cost of Material Consumed multiplied by number of days in the year/period.
3. Holding period level (in days) of Sundry Debtor is calculated by dividing Trade Payable by Cost of Material Consumed multiplied by number of days in the year/period.

Justification:

Our Company's estimated working capital requirements on a restated basis are based on the following key assumptions:

| | |
|--|---|
| Inventory (Raw Material and Components) | <p>Inventories of our company includes raw material and components for water & waste water treatment projects consisting of MS / SS / UPVC pipes, valves, fittings, MS plates & supports etc., pumps & motors, cable, trays, electrical panels & hardware, skimmers, cartridges, filters, membranes, pressure tubes and various type of treatment equipment.</p> <p>Our inventory holding period from FY 2021-22, FY 2022-23 and FY 2023-24 has witnessed a considerable reduction from 55 days, 54 days and 18 days respectively, the average of the same is 43 days. This is largely attributed to implementation of inhouse self-developed procurement and inventory management systems, regular & on time vendor payments, standardization of items / equipment / OEMs and establishing strong relationships with suppliers ensuring timely availability of a diverse range of raw materials essential for project execution.</p> |
|--|---|

| | |
|---|---|
| | <p>Reason for lower inventory days in FY 2023-24:</p> <p>The sudden decrease in inventory is on account of spike in sales in the month of March 2024, which accounted for over 20% of total revenue of FY 2023-24.</p> <p>Looking ahead, our company projects inventory holding days to be approximately 54 days in Fiscal 2025, considering the scale of our operations. To avoid any supply chain disruptions, we plan to maintain these inventory levels. This strategic approach ensures we can meet project demands efficiently while optimizing our working capital.</p> |
| <p>Trade Receivables</p> | <p>Trade receivables are amount owed to Company by customers following Sales of Products and Supply of Services. Our historical trend of trade receivables holding period range has been in range 60 to 74 days during the last three financial years.</p> <p>Further we expect the trade receivables holding period to be approximately 60 days for FY 2024-25 as per the company projections and likely trends. It would be pertinent to mention that the major proportion of the payment in any project is received within 45 days on pro rata basis. Please note payment towards installation & commissioning varies from 02 to 06 months from the time of supply and retention towards performance is generally 30 – 45 days which is realized post installation, commissioning and handing over of the project on submission of performance bank guarantees. In the event of non-submission of the bank guarantee, the payment realization period could spread over 12 to 24 months as per the order terms and therefore, result in an overall higher receivable time period.</p> |
| <p>Fixed Deposits (Lien Free) and Deposits with Banks and Other Bank Balance</p> | <p>We would like to inform you that the Deposits with Banks and Other Bank Balance mentioned here represent the Fixed Deposits used as margin money at 15% of the Bank Guarantee value for the issuance of advance and performance bank guarantees. The common industry practise in the company's domain requires the entities to provide an advance up to 30% of the contract value valid till the supply of the materials and performance bank guarantee equivalent to 10% of the contract value ranging from a period of 12 to 24 months. The bank balances will be suitably used by the Company as collateral for obtaining non-fund-based limits enabling the Company to timely submit the Bank Guarantees ("ABGs" & "PBGs") against client orders.</p> <p>Currently, the company is enjoying non-fund based limits of Rs. 6 crores from the bank wherein personal properties of promoters have been pledged as collateral. The limit of Rs. 6 crore is being used for BGs and LCs as per requirement from time to time. However, in line with our earlier orders and subsequent submissions of bank guarantee the existing limits have exhausted. The Company has to therefore, deposit 100% margin money to furnish any additional bank guarantees toward advances against forthcoming orders and realization of retention related payments. In lieu of the above it is imperative the company would eventually be forced to contend with liquidity constraints resulting in higher raw material purchase costs, reduced advances and performance related payments from customers and limited order booking.</p> |

| | |
|--|---|
| | <p>The present environment augur's high growth potential and in line the company has well-thought & structured plans to achieve their objectives by targeting larger contracts, develop relations with established industrial groups, expanding to overseas markets and inculcating high performance technology treatment systems thus keeping abreast with global expectations and demands. This would require much higher bank balances other than Cash and Cash Equivalents to cater to the upcoming needs and requirements.</p> <p>Currently, the company is having total Fixed Deposit (Lien & Lien Free) amounting to Rs. 821.21/- Lakhs as on March 31, 2024, which is being used as collateral for issuance of Bank Guarantees.</p> |
| <p>Trade Payables</p> | <p>Our trade payables holding period in FY 2021-22, FY 2022-23 and FY 2023-24 were 61 days, 43 days and 38 days respectively. We are considering to further lowering down the holding period of trade payables to 33 days for FY 2024-25.</p> <p>Reasons for Reducing the creditor Days:</p> <p>Competitive Edge: By reducing the trade payables period, we position ourselves more favorably in the market, enhancing our reputation as a reliable business partner.</p> <p>Priority and Reliability: Shortening our payment cycles strengthens relationships with key suppliers, ensuring we receive priority treatment and reliable supplies, especially as we expand our product lines and markets.</p> <p>Better Negotiation: The Company anticipates better purchase pricing & terms due to higher discounts on account of improved vendor payment terms, continuous supply and aftersales support from vendors, reduced holding period by ensuring timely and committed payments. This will eventually add to the bottom line.</p> <p>Vendor Requirements: Some of our key suppliers require shorter payment terms for continued partnership. Meeting these terms is essential for an uninterrupted supply of critical materials and fostering long-term relationships with these vital partners.</p> |
| <p>Short Term Loan and Advances, Other Current Assets</p> | <p>Short term loans and advances consist of advances to vendors. While Other Current Assets majorly belongs to Income Tax Receivable, GST Receivable, Other Receivable and Advance to Employees. These loans and advances and other current assets are towards accelerating the business and integral part of our business. We expect the growth in these assets to be in line with the expected growth in business.</p> |
| <p>Other Current Liabilities, Short Term Provisions</p> | <p>Other Current Liabilities mainly include Advance from Customer, Payable against statutory dues, Payable against expenses and Retentions. Short Terms Provisions are mainly includes Provision for Gratuity and Provision for Income Tax. Other current liabilities and Short Term Provisions are estimated based on previous year outstanding amount and for expected Business requirement of company.</p> |

2. GENERAL CORPORATE PURPOSE:

We propose to utilize ₹ [●] Lakhs of the Net Proceeds towards general corporate purposes as approved by the Board, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds Issue Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

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

3. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

| Expenses | Expenses (₹ in Lakh) | Expenses (% of Total Issue expenses) | Expenses (% of Gross Issue Proceeds) |
|---|-------------------------|--|--|
| Lead Manger Fees including Underwriting Commission | [●] | [●] | [●] |
| Fees Payable to Registrar to the Issue | [●] | [●] | [●] |
| Fees Payable Advertising, Marketing Expenses and Printing Expenses | [●] | [●] | [●] |
| Fees Payable to Regulators including Stock Exchanges and other Intermediaries | [●] | [●] | [●] |
| Fees payable to Peer Review Auditor | [●] | [●] | [●] |
| Fees Payable to Market Maker (for Three Years) | [●] | [●] | [●] |
| Escrow Bank Fees | [●] | [●] | [●] |
| Total Estimated Issue Expenses | [●] | 100.00 | [●] |

Notes:

- Up to July 24, 2024, our Company has deployed/incurred expense of ₹ 5.00/- lakhs towards Issue Expenses duly certified by Statutory Auditor M/s. Raman Chawla and Associates, Chartered Accountants vide its certificate dated July 25, 2024, bearing UDIN: 24549076BKECTP7343.
Any expenses incurred towards aforesaid issue related expenses during the period till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
- ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Issue is made as per Phase I of UPI Circular) - Rs [●]/- per application on wherein shares are **allotted**.
- Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) – Rs. [●]/- per application on wherein shares are **allotted**.
- Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs [●]/- per application on wherein shares are **allotted**.
- Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs [●]/- per application on wherein shares are **allotted**.

6. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
7. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
8. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

| Sr. No. | Particulars | Total Estimated Cost | Amount to be funded from the Net Issue Proceeds (₹ in Lakhs) | Amount to be funded from Internal Accruals (₹ in Lakhs) | Amount already deployed (₹ in Lakhs) | Estimated Utilization of Net Proceeds (₹ in Lakhs) (Up to Financial year 2024-25)* |
|---------|--------------------------------------|----------------------|--|---|--------------------------------------|--|
| 1. | To Meet Working Capital Requirements | 3,464.41 | 1,700.00 | 1,764.41* | - | 1,700.00 |
| 2. | General Corporate Purpose | [●] | [●] | 0.00 | [●] | [●] |
| 3. | Issue Expenses** | [●] | [●] | [●] | [●] | [●] |

*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of issue proceeds may be interchangeable.

However, the use of issue proceeds for General Corporate Purposes shall not exceed 25% at any point of time.

APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investments in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the 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.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoter or controlling Shareholders will 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

No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

This space has been left blank intentionally

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 Statement as Restated” beginning on page 24, 122 and 185 respectively of the Draft Red Herring Prospectus to get a more informed view before making the investment decision. The issue price has been determined by the issuer in consultation with the Book Running Book Running Lead Manager. The financial data presented in this section are based on our Company’s Restated Financial Statements.

QUALITATIVE FACTORS

Some of the Qualitative factors which form the basis for computing the issue price are:

- Customization Expertise
- Experienced Promoter and management team with strong industry expertise and successful track record.
- Sustainable business model
- Marquee clientele

For details of qualitative factors, please refer to the paragraph “*Our Competitive Strengths*” in the chapter titled “*Our Business*” beginning on page 122 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

1. Standalone Basic & Diluted Earnings Per Share (EPS), as adjusted for change in capital:

| Financial Year | Basic & Diluted EPS ₹ | Weight |
|-----------------------------|-----------------------|----------|
| 2023-24 (bonus adjusted) | 7.25 | 3 |
| 2022-23 (bonus adjusted) | 3.85 | 2 |
| 2021-22 (bonus adjusted) | (0.72) | 1 |
| Weighted Average EPS | 4.79 | 6 |

Note:

The ratios have been computed as under:

- a) *Basic and diluted EPS: profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with AS 20 – Earnings per share post the bonus issue in current financial year;*
- b) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights*

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of face value ₹ 10/- each fully paid up.

$$\text{Price to Earning Ratio (P/E)} = \frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$$

| Sr. No. | Particulars | P/E Ratio |
|---------|--|-----------|
| 1 | P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-2024 | [●] |
| 2 | P/E ratio based on the Weighted Average EPS | [●] |

Industry P/E

| | |
|---------|-------|
| Highest | 53.89 |
| Lowest | 34.10 |
| Average | 43.99 |

3. Return on Net Worth (RONW)

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax}}{\text{Average Net Worth}} * 100$$

| Financial Year | Return on Net Worth (%) | Weight |
|-----------------------------|-------------------------|----------|
| 2023-24 | 60.38% | 3 |
| 2022-23 | 64.43% | 2 |
| 2021-22 | -16.33% | 1 |
| Weighted Average EPS | 48.95% | 6 |

4. Net Asset Value per Equity Share

$$\text{Restated Net Assets Value per Equity (₹)} = \frac{\text{Restated Net Worth at the end of the year}}{\text{Number of Equity Shares Outstanding}}$$

| As at | NAV per share ₹ |
|----------------------------------|-----------------|
| March 31, 2024 (bonus adjusted) | 16.11 |
| March 31, 2023 (bonus adjusted) | 7.91 |
| March 31, 2022 (bonus adjusted) | 4.05 |
| NAV after Issue – at Cap Price | [●] |
| NAV after Issue – at Floor Price | [●] |
| Issue Price | [●] |

5. Comparison with industry peers

| Name of the company | Standalone / Consolidated | Face Value (₹) | Current Market Price (₹)** | EPS (₹) Basic | P/E Ratio *** | RoNW (%) | NAV per Equity Share (₹) | Revenue from operations (₹ in Lakhs) |
|----------------------|---------------------------|----------------|----------------------------|---------------|---------------|----------|--------------------------|--------------------------------------|
| Apex Ecotech Limited | Standalone | 10.00 | [●] | 3.85 | [●] | 64% | 7.91 | 3,457.38 |
| Peer Group* | | | | | | | | |

| | | | | | | | | |
|-----------------------|--------------|-------|----------|-------|-------|--------|--------|-------------|
| ION Exchange Limited | Consolidated | 10.00 | 717.80 | 13.32 | 53.89 | 21.06% | 69.53 | 2,34,785.00 |
| VA Tech Wabag Limited | Consolidated | 2.00 | 1,346.65 | 36.87 | 34.10 | 14.45% | 293.28 | 2,85,640.00 |

*Sourced from Financial Results for financial year ended March 31, 2024.

**Current Market Price is taken as closing on July 26, 2024.

***We have calculated P/E Ratio by dividing the Current Market Price on July 26, 2024 and EPS as on March 31, 2024.

6. 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.

The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Book Running Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “Risk Factors” and chapters titled “Our Business” and “Financial Statements as Restated” beginning on page nos. 24, 122 and 185 respectively of this Draft Red Herring Prospectus.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial Statements. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 23, 2024, and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Raman Chawla and Associates, Chartered Accountants by their certificate dated July 22, 2024, having UDIN: 24549076BKECTJ9567.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 122 and 211, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 02.

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 utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the issue Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

- Key metrics like growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.**

KPI indicators

(Amount in ₹ lakhs, except EPS, % and ratios)

| Particulars | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations ⁽¹⁾ | 5,308.09 | 3,457.38 | 1,951.18 |
| Growth in Revenue from Operations ⁽²⁾ | 53.53% | 77.19% | - |
| EBITDA ⁽³⁾ | 888.07 | 418.56 | -43.14 |
| EBITDA (%) Margin ⁽⁴⁾ | 16.73% | 12.11% | -2.21% |
| EBITDA Growth Period on Period ⁽⁵⁾ | 112.17% | -1070.18% | - |
| ROCE (%) ⁽⁶⁾ | 59.61% | 54.49% | -5.73% |
| Current Ratio ⁽⁷⁾ | 2.36 | 1.66 | 1.64 |
| Operating Cash flow ⁽⁸⁾ | 594.04 | 348.83 | 45.20 |
| PAT ⁽⁹⁾ | 663.04 | 352.10 | (65.86) |
| ROE/ RONW ⁽¹⁰⁾ | 60.38% | 64.43% | -16.33% |
| EPS ⁽¹¹⁾ (after considering bonus) | 7.25 | 3.85 | (0.72) |

Notes:

⁽¹⁾ Revenue from operations is the total revenue generated by our Company.

⁽²⁾ Growth in Revenue in percentage, Year on Year

⁽³⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽⁴⁾ EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

⁽⁵⁾ EBITDA Growth Rate Year on Year in Percentage

⁽⁶⁾ ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term debt

⁽⁷⁾ Current Ratio: Current Asset over Current Liabilities

⁽⁸⁾ Operating Cash Flow: Net cash inflow from operating activities.

⁽⁹⁾ PAT is mentioned as PAT for the period

⁽¹⁰⁾ ROE/RONW is calculated PAT divided by shareholders' equity

⁽¹¹⁾ EPS is mentioned as EPS for the period

| KPI | Explanation |
|------------------------|---|
| Revenue from operation | 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. |
| Revenue Growth Rate % | Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period |
| 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 |
| EBITDA Growth Rate % | EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period |
| ROCE % | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| Current Ratio | Current ratio indicate the company's ability to bear its short term obligations |

| | |
|----------------------------|---|
| Operating Cash Flow | Operating cash flow shows whether the company is able to generate cash from day to day business |
| PAT | Profit after Tax is an indicator which determine the actual earning available to equity shareholders |
| ROE/RONW | It is an indicator that shows how much the company is generating from its available shareholders' funds |
| EPS | Earning per share is the company's earnings available of one share of the Company for the period |

2. GAAP Financial Measures

GAAP Financial measures are numerical measures that are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Indian Accounting Standards ("Ind AS") or Accounting Standards ("AS") notified in accordance with Section 133 of the Companies Act, 2013, as amended (the "Act"). These measures are generally disclosed in the financial statements of the issuer company.

On the basis of Restated financial statements.

(₹ lakhs)

| Particulars | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations | 5,308.09 | 3,457.38 | 1,951.18 |
| Profit after tax | 663.04 | 352.10 | (65.86) |
| Cash flow from operating activities | 594.04 | 348.83 | 45.20 |
| Cash Flow from investing activities | 69.68 | (89.30) | 277.94 |
| Cash Flow from financing activities | 66.14 | (58.66) | (326.56) |
| Net Change in Cash and cash equivalents | 729.85 | 200.88 | (3.41) |

3. Non- GAAP Financial measures

Non-GAAP Financial measures are numerical measures of the Technical Guide on Disclosure and Reporting of KPIs issuer company's historical financial performance, financial position, or cash flows that:

- i. Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or
- ii. Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non-GAAP Financial measures are items which are not defined under Ind AS or AS, as applicable. Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. As a simplified example, if the issuer company discloses net income less restructuring charges and loss on debt extinguishment (having determined all amounts in accordance with GAAP), the resulting performance amount, which may be labelled "Adjusted Net Income," is a Non-GAAP Financial measure.

On the basis of Restated Standalone financial statements

(in ₹ lakhs, except %)

| Particulars | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| EBITDA | 888.07 | 418.56 | -43.14 |
| Total Revenue | 5,308.09 | 3,457.38 | 1,951.18 |
| PAT | 663.04 | 352.10 | (65.86) |
| Adjusted EBITDA margin | 16.73% | 12.11% | -2.21% |
| Working capital | 1,392.78 | 641.22 | 316.50 |
| PAT Margin | 12.49% | 10.18% | -3.38% |
| Net worth | 1,473.56 | 722.52 | 370.43 |

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies.

On the basis of Restated Standalone financial statements

| Particulars | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Current ratio | 2.36 | 1.66 | 1.64 |
| Debt-equity ratio | 0.03 | 0.08 | 0.30 |
| Inventory turnover ratio | 14.04 | 8.57 | 5.65 |
| Trade receivables turnover ratio | 6.77 | 6.60 | 4.94 |
| Trade payables turnover ratio | 10.18 | 9.62 | 3.42 |
| Net capital turnover ratio | 4.83 | 6.33 | 4.84 |
| Net profit ratio | 12.49% | 10.18% | -3.38% |
| Return on equity ratio | 60.38% | 64.43% | -16.33% |
| Return on capital employed | 59.61% | 54.49% | -5.73% |

| Ratio | Explanation |
|---|--|
| Current Ratio | Current Assets divided by Current Liabilities |
| Debt-equity ratio | Total Debt divided by Shareholder's Equity |
| Debt service coverage ratio | Earning available for debt service divided by Sum of Interest and Debt service |
| Inventory turnover ratio | Cost of goods Sold divided by Average Inventory |
| Trade receivables turnover ratio | Net Credit Sales divided by Average Accounts Receivables |
| Trade payables turnover ratio | Net Credit Purchases divided by Average Trade Payables |
| Net capital turnover ratio | Net Sales divided by Working Capital |
| Net profit ratio | Net Profit divided by Net Sales |
| Return on equity ratio | Profit after Tax divided by Average Shareholder's Equity |
| Return on capital employed | EBIT divided by Sum of Total Equity and Borrowings (including lease liabilities) |

4. Comparison of KPI with listed industry peers



(Amount in ₹ lakhs, except %)

| Particulars | APEX ECOTECH LIMITED | | | ION EXCHANGE (INDIA) LTD. | | |
|--|----------------------|---------------|---------------|---------------------------|---------------|---------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Revenue from operations ⁽¹⁾ | 5,308.09 | 3,457.38 | 1,951.18 | 234,785.00 | 198,960.93 | 157,686.77 |
| Growth in Revenue from Operations ⁽²⁾ | 53.53% | 77.19% | 66.74% | 18.01% | 26.17% | 8.79% |
| EBITDA ⁽³⁾ | 888.07 | 418.56 | -43.14 | 27,195.00 | 25,498.66 | 21,320.73 |
| EBITDA (%) Margin ⁽⁴⁾ | 16.73% | 12.11% | -2.21% | 11.58% | 12.82% | 13.52% |
| EBITDA Growth Period on Period ⁽⁵⁾ | 112.2% | -1070.2% | -63.8% | 6.7% | 19.6% | 5.4% |
| ROCE (%) ⁽⁶⁾ | 59.61% | 54.49% | -5.73% | 20.35% | 25.43% | 26.34% |
| Current Ratio ⁽⁷⁾ | 2.36 | 1.66 | 1.64 | 1.55 | 1.55 | 1.45 |
| Operating Cash Flow ⁽⁸⁾ | 594.04 | 348.83 | 45.20 | 12,994.00 | 6,272.79 | 9,138.09 |
| PAT ⁽⁹⁾ | 663.04 | 352.10 | -65.86 | 19,536.00 | 19,496.63 | 16,168.77 |
| ROE/ RONW ⁽¹⁰⁾ | 59.61% | 54.49% | -5.73% | 21.06% | 26.16% | 27.86% |
| EPS ⁽¹¹⁾ | 7.25 | 3.85 | -0.72 | 13.32 | 165.95 | 137.3 |

| Particulars | VA TECH WABAG LTD. | | |
|--|--------------------|---------------|---------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Revenue from operations ⁽¹⁾ | 285,640.00 | 296,048.00 | 297,930.00 |
| Growth in Revenue from Operations ⁽²⁾ | -3.52% | -0.63% | 5.11% |
| EBITDA ⁽³⁾ | 37,570.00 | 31,782.00 | 23,699.00 |
| EBITDA (%) Margin ⁽⁴⁾ | 13.15% | 10.74% | 7.95% |
| EBITDA Growth Period on Period ⁽⁵⁾ | 18.21% | 34.11% | 8.33% |
| ROCE (%) ⁽⁶⁾ | 17.45% | 17.28% | 11.61% |
| Current Ratio ⁽⁷⁾ | 1.68 | 1.33 | 1.37 |
| Operating Cash Flow ⁽⁸⁾ | 13,350.00 | 8,498.00 | 1,164.00 |
| PAT ⁽⁹⁾ | 24,560.00 | 1,093.00 | 13,206.00 |
| ROE/ RONW ⁽¹⁰⁾ | 14.45% | 0.71% | 9.04% |
| EPS ⁽¹¹⁾ | 39.49 | 2.07 | 21.21 |

**All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report

Notes:

- (1) Total Income includes Revenue from Operations and Other Income as appearing in the Restated Financial Statements/ Annual Reports of the respected companies
- (2) Growth in Total Income (%) is calculated as Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period
- (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost-other Income
- (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operation
- (5) EBITDA Growth Rate is calculated period on period
- (6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term debt
- (7) Current Ratio: Current Asset over Current Liabilities
- (8) Operating Cash Flow: Net cash inflow from operating activities.
- (9) PAT is mentioned as PAT for the period
- (10) ROE/ RONW is calculated PAT divided by shareholders' equity
- (11) EPS is mentioned as EPS for the period; EPS of Apex Ecotech Limited is adjusted for Bonus Shares.

5. Weighted average cost of acquisition

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

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this Draft Red Herring Prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-

issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

| Date of allotment | No. of equity shares allotted | Face value | Issue price | Issue price (Adjusted for Bonus Shares) | Nature of allotment | Nature of consideration | Total consideration (in ₹ lakhs) |
|-------------------|-------------------------------|------------|-------------|---|---------------------|-------------------------|----------------------------------|
| March 22, 2024 | 55,000 | 10.00 | 160.00 | 16.00 | Preferential | Cash | 88.00 |

(b) *The price per share of our Company based on the secondary sale/ acquisition of 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), 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) *Weighted average cost of acquisition, floor price and cap price:*

| Type of transaction | Weighted average cost of acquisition (₹ per equity shares) | Weighted average cost of acquisition after Bonus shares adjustment (₹ per equity shares) | Floor Price | Cap Price |
|--|--|--|-------------|-----------|
| Weighted average cost of primary / new issue acquisition | 160 | 16 | [●] | [●] |
| Weighted average cost of secondary acquisition | NA | NA | [●] | [●] |

*Calculated for last 18 months

**Calculated for Transfer of Equity Shares.

6. **Explanation for Issue Price / Cap Price being [●] times and [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) in view of the external factors which may have influenced the pricing of the issue.**

[●]*

*To be included on finalization of Price Band.

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STATEMENT OF POSSIBLE TAX BENEFITS

Independent Auditor's Report on Statement of Special Tax Benefits

To,

The Board of Directors,

Apex Ecotech Limited

(Formerly known as Apex Ecotech Private Limited)

R.O.: B-201, Divya Heights, Rahatani, S. No. 5,

Jagtap Dairy Road, Pune, Maharashtra- 411017, India

Dear Sir/ Madam,

Sub: Statement of possible Special tax benefit ('the Statement') available to Apex Ecotech 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')

1. We hereby confirm that the enclosed Annexure I, prepared by Apex Ecotech Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company, its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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 proposed initial public offering.



4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been met with; and
 - iii) the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.
7. No assurance is given that the revenue authorities / Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
8. 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.
9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**FOR M/S. RAMAN CHAWLA AND ASSOCIATES,
CHARTERED ACCOUNTANTS
FRN: 035543N**

Sd/-

Mr. Jasmeet Singh

Partner

Membership No. 549076

UDIN: 24549076BKECTD5527

Place: Delhi

Date: 18th July, 2024

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ANNEXURE I TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company, the Shareholders under the Taxation Laws presently in force 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 certain recently enacted legislation may not have a direct legal precedent or may have a 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

A. POSSIBLE TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Taxation Laws.

B. POSSIBLE TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

Note:

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.

We hereby give our consent to include our above referred opinion regarding the special tax benefits available to the Company, to its shareholders in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

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SECTION VIII – 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.

GLOBAL ECONOMIC OVERVIEW

Despite gloomy predictions, the global economy remains remarkably resilient, with steady growth and inflation slowing almost as quickly as it rose. Global growth is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth.

World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

These forecasts are based on assumptions that fuel and nonfuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies. Annual average oil prices are projected to fall by about 2.3 percent in 2024, whereas nonfuel commodity prices are expected to fall by 0.9 percent. IMF staff projections are for policy rates to remain at current levels for the Federal Reserve, the European Central Bank, and the Bank of England until the second half of 2024, before gradually declining as inflation moves closer to targets. The Bank of Japan is projected to maintain an overall accommodative stance.

Economic Growth

For *advanced economies*, growth is projected to decline slightly from 1.6 percent in 2023 to 1.5 percent in 2024 before rising to 1.8 percent in 2025. An upward revision of 0.1 percentage point for 2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area.

In *emerging market and developing economies*, growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025. An upward revision of 0.1 percentage point for 2024 since October 2023 reflects upgrades for several regions.

Growth in *emerging and developing Asia* is expected to decline from an estimated 5.4 percent in 2023 to 5.2 percent in 2024 and 4.8 percent in 2025, with an upgrade of 0.4 percentage point for 2024 over the October 2023 projections, attributable to China's economy. Growth in *China* is projected at 4.6 percent in 2024 and



4.1 percent in 2025, with an upward revision of 0.4 percentage point for 2024 since the October 2023 WEO. The upgrade reflects carryover from stronger-than-expected growth in 2023 and increased government spending on capacity building against natural disasters.

Growth in *India* is projected to remain strong at 6.5 percent in both 2024 and 2025, with an upgrade from October of 0.2 percentage point for both years, reflecting resilience in domestic demand.

Inflation

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent. The forecast is revised down for both 2024 and 2025 for advanced economies, while it is revised up for 2024 for emerging market and developing economies, mainly on account of Argentina where the realignment of relative prices and elimination of legacy price controls, past currency depreciation, and the related pass-through into prices is expected to increase inflation in the near term. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

Source: <https://www.imf.org/en/Publications/WEO>

INDIAN ECONOMY

Introduction

India's economic performance in recent years demonstrates substantial growth, with a 7.2% expansion in 2022-23 and an impressive 8.7% growth in 2021-22. India's GDP growth is expected to remain robust in FY24. GDP forecast for FY24 to be in the range of 6-6.8%. 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. India's gross domestic product (GDP) at current prices in the second quarter (Q2) of 2023-24 is estimated to be Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in Q2 of 2022-23, showing a growth rate of 9.1%. 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 first half of FY24. In 2023-24 (April-December), India's service exports stood at US\$ 247.92 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-December) were estimated at US\$ 565.04 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



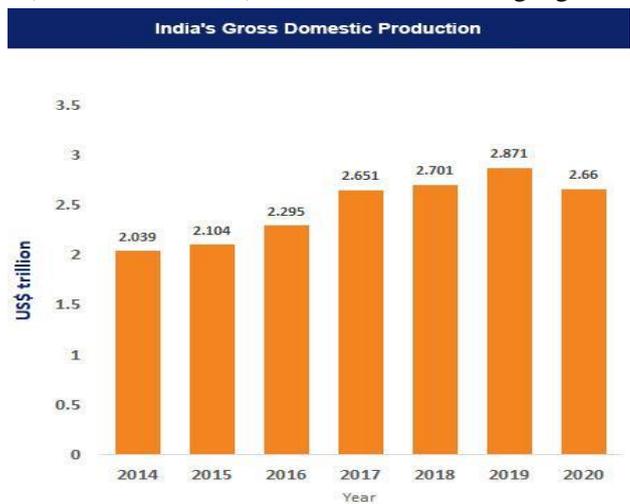
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has largely 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 as a result 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

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 296.58 trillion (US\$ 3.56 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q2 of 2023-24 was Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in 2022-23, estimating a growth of 9.1%. As of 03rd October 2023, India is home to 111 unicorns with a total valuation of US\$ 349.67 Billion. Out of the total number of unicorns, 45 unicorns with a total valuation of US\$ 102.30 Billion were born in 2021 and 22 unicorns with a total valuation of \$ 29.20 Billion were born in 2022. 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 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 same time period. The current account deficit stood at US\$ 8.3 billion, or 1% of GDP, in the second quarter of fiscal 2023-24 as compared to US\$ 9.2 billion or 1.1% of GDP in the preceding quarter.

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 erstwhile 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.



INDIAN EXPORT IMPORT AND FDI IN INDIA

Export and Import

India's overall exports (Merchandise and Services combined) in FY 2023-24 (April-March)* are estimated to be USD 776.68 Billion, exhibiting a positive growth of 0.04 per cent over FY 2022-23 (April-March). Overall imports in FY 2023-24 (April-March)* are estimated to be USD 854.80 Billion, exhibiting a negative growth of (-) 4.81 per cent over FY 2022-23 (April-March).

Source: [https://pib.gov.in/PressReleasePage.aspx?PRID=2017942#:~:text=India's%20overall%20exports%20\(Merchandise%20and%20Services%20combined\),\(%2D\)%206.11%20per%20cent%20over%20March%202023](https://pib.gov.in/PressReleasePage.aspx?PRID=2017942#:~:text=India's%20overall%20exports%20(Merchandise%20and%20Services%20combined),(%2D)%206.11%20per%20cent%20over%20March%202023)

Foreign Investment

In India, both domestic and foreign investments are vital and contribute enormously to the nation's expansion. India is considered one of the fastest emerging economies in the world and a leading country in attracting foreign investments. India has several investment opportunities in its equity market for local and Foreign Institutional Investors (FIIs). Since its inception in 1992, India's FII investments have largely remained positive. The FIIs poured a massive US\$ 60.31 billion into Indian equities from March 2009 to November 2010 and lifted the Nifty from around 2,500 to 6,300. Similarly, during the Covid crisis, when the Nifty recovered and surged from around 8,000 (April 2020) to 18,600 (October 2021), the Indian markets saw investments of US\$ 38 billion by FIIs. Moreover, FIIs have cumulatively invested US\$ 20 billion between March-August (2023) before becoming net sellers in Asia's third-largest equity market in September. For 2024, FII investment stood at Rs. 257,155.74 crore (US\$ 31.0 billion) (Until January 29th, 2024). Additionally, the Indian rupee is performing better than other major global currencies such as the British pound, Japanese yen, and euro. The government has also liberalized regulations for foreign capital. All these factors have further strengthened India's position in global markets.

Source: <https://www.ibef.org/economy/foreign-institutional-investors>

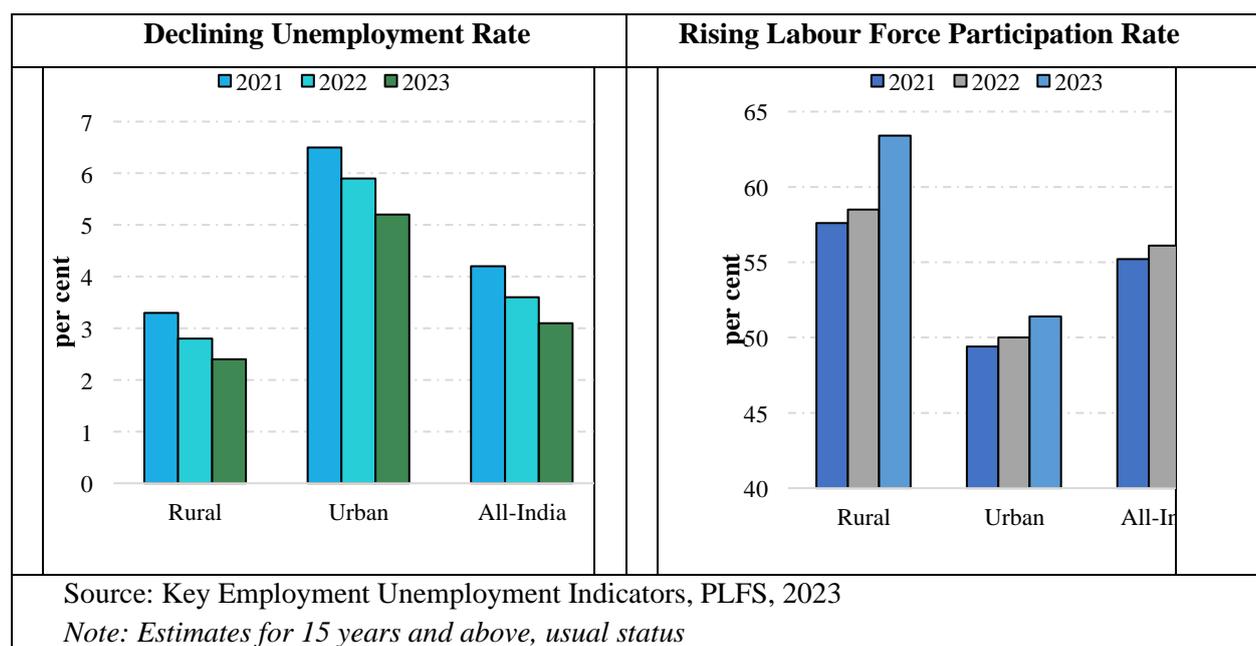
INFLATION

According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation decreased to 5.10% in January, 2024 as compared to 6.44% in February, 2023. The CPI inflation for rural and urban areas for the month of January, 2024 is 5.34% and 4.92% respectively.

Source: https://mospi.gov.in/sites/default/files/press_release/CPI_PR_12Mar24.pdf

EMPLOYMENT LEVELS

According to the Periodic Labour Force Survey (PLFS), calendar year wise unemployment rate has declined from 3.6 per cent in 2022 to 3.1 per cent in 2023. The labour force participation rate (LFPR) has also expanded from 56.1 per cent to 59.8 per cent over the same period. The expansion in LFPR was underlined by rise in rural female LFPR from 37.5 per cent in 2022 to 47.3 per cent in 2023, and urban female LFPR rising from 24.7 per cent to 27.2 per cent.



Source: <https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review%20February%202024.pdf>

INDUSTRY OVERVIEW

WASTEWATER

Most human activities that use water produce wastewater. As the overall demand for water grows, the quantity of wastewater produced and its overall pollution load are continuously increasing worldwide. In all but mostly in least developed countries, the vast majority of wastewater is released directly to the environment without adequate treatment, with detrimental impacts on human health, economic productivity, the quality of ambient freshwater resources, and ecosystems.

Although wastewater is a critical component of the water management cycle, water after it has been used is all too often seen as a burden to be disposed of or a nuisance to be ignored. The results of this neglect are now obvious. The immediate impacts, including the degradation of aquatic ecosystems and waterborne illness from contaminated freshwater supplies, have far-reaching implications on the well-being of communities and peoples' livelihoods. Continued failure to address wastewater as a major social and environmental problem would compromise other efforts towards achieving the 2030 Agenda for Sustainable Development.

Discharge of untreated wastewater also reduces the opportunity to reuse this potentially valuable resource. Description of the different fractions of wastewater:

1. **Domestic/ Urban Eater** – Grey water is water that has been used for bathing, laundry, cleaning and cooking. It can contain a range of contaminants, including cleaning products, disinfectants and organic kitchen waste including oil and microplastics. Depending on a household's behaviour, grey water can also contain improperly disposed toxic household chemicals, such as paints or pharmaceuticals. Black water is water from toilets. It contains urine and faeces with any associated pathogens and can also contain excreted pharmaceuticals.

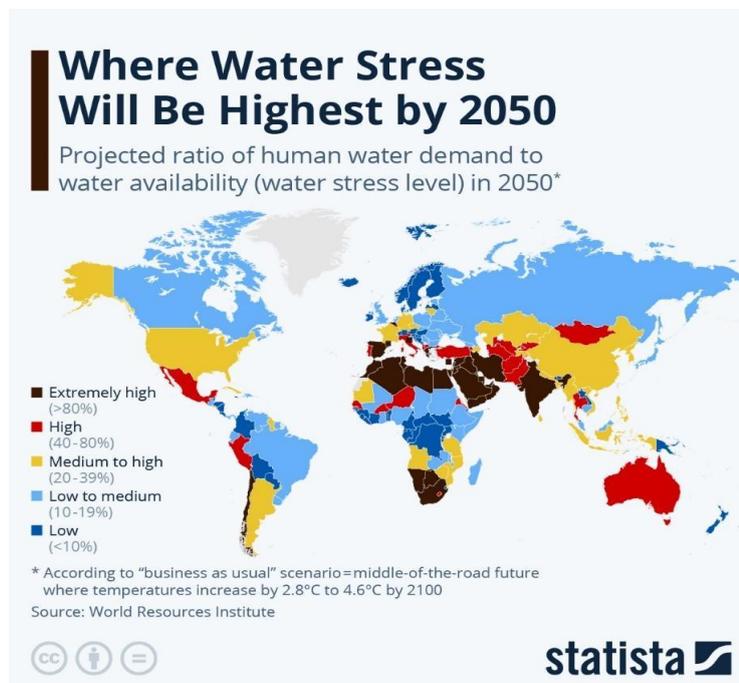
2. **Industrial Wastewater** – Water from any industry (including, for example extractive, transformational and manufacturing industries) that may contain pollutants. The pollutants depend on the type of industrial process e.g., textile production, paper production, mining, energy production, food processing, etc. and can include suspended solids, heavy metals, oils and greases, and other toxic organic and inorganic chemicals.
3. **Agricultural Wastewater** – Can contain high concentrations of nitrogen and phosphorus from fertilizer, animal waste, farm chemicals such as pesticides, plastic including microplastic and other contaminants.
4. **Stormwater** – Depending on the location, this may contain solid waste, such as plastic, sediment, suspended solids, fertilizer, heavy metals and many other pollutants, especially in urban areas.

Source: <https://www.unep.org/resources/report/wastewater-turning-problem-solution>

GLOBAL WATER STRESS

Water is not only the basis of life for animals and plants, but is also likely to become a contested resource in parts of the world in the coming decades. According to UN figures, global water stress, i.e. the proportion of water withdrawn for use in industry, agriculture or private households in relation to available water, was manageable at 18.2% in 2020. In 2022, however, 2.4 billion people were living in areas that are exposed to extreme water stress in some cases.

It is not possible to determine exactly how high this will be by 2050 due to numerous factors such as the global population or economic and political developments in emerging and transition countries. This is why scientists are currently working with scenarios instead of more precise estimates. However, it is certain that the demand for water will increase steadily and that many countries are already consuming more than they have available.

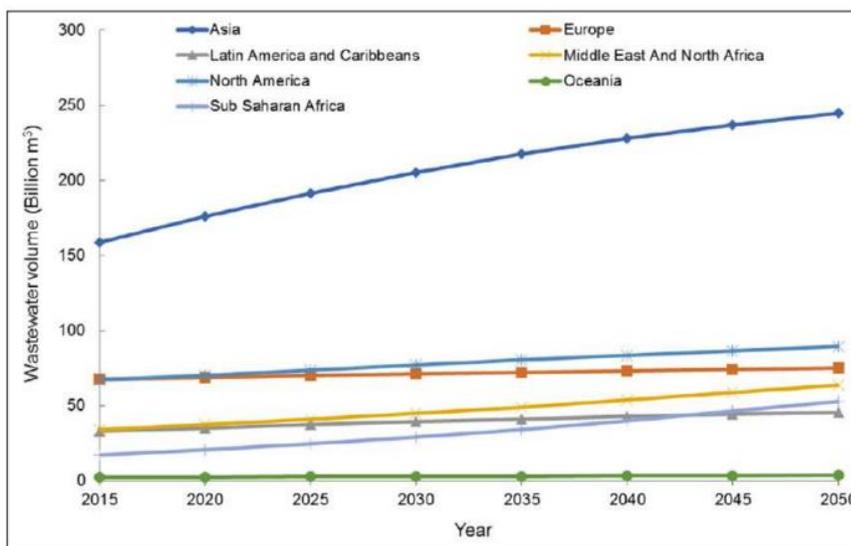


As the above infographic based on projections by the World Resources Institute (WRI) shows, 51 of the 164 countries and territories analysed are expected to suffer from high to extremely high water stress by 2050, which corresponds to 31 percent of the population.

Source: <https://www.statista.com/chart/26140/water-stress-projections-global/>

WASTE WATER IN NUMBERS

Recently, few global studies have been carried out to estimate the wastewater volumes and make predictions for the future. For example, Qadir et al. (2020) estimated that 380 billion m³ of wastewater is generated annually across the world. Based on the rate of population growth and urbanization, the daily wastewater generated is expected to increase by 24% (470 billion m³) by the end of the SDG era in 2030 and 51% (574 billion m³) by 2050 over the current estimates. It is to be noted that, among the global regions, Asia generated the largest volumes of wastewater representing 42% (159 billion m³) of the wastewater globally. It is expected that by 2030 there will be an increase in the wastewater generation to 44%, and hence needs attention.



The figure presents the Wastewater production across the different regions of the world for 2015-2050 (Source: Qadir et al., 2020)

Source: https://www.niti.gov.in/sites/default/files/2022-09/Waste-Water-A4_20092022.pdf

WASTEWATER TREATMENT

Wastewater treatment, also known as sewage treatment, is the process of cleaning water used by homes, industries, and businesses before it's returned to nature. If we don't treat the billions of gallons of wastewater and sewage generated daily, it would severely damage the environment. Untreated wastewater can harm fish and wildlife, reduce oxygen levels, lead to beach closures, limit recreational water use, restrict fishing, and contaminate drinking water.

Global water withdrawals have increased almost two times faster than the world's population over the last century. Furthermore, from food to fashion, oil to chemicals, and mining to pharmaceuticals, businesses are failing to stem the flow of dirty water into our natural environments, as a result, it is generally considered that over 80 percent of wastewater is released into the environment without adequate treatment. The World Economic Forum's Global Risks Report has listed water crises among the top five risks in terms of impact for eight consecutive years. Combined with a more erratic and uncertain supply, climate change will



aggravate the situation of currently water stressed regions and generate new water stresses in regions where water resources are currently abundant.

Source: <https://gpholding.com/22/wp-content/uploads/2022/07/Wastewater-Treatment-WWT.pdf>

Water stress already affects every region, especially the Middle East, considered as the most water scarce in the world. Furthermore, about two-thirds of the global population live under conditions of severe water scarcity for at least one month per year. Increasing water-use efficiencies will therefore be key to reducing the threat posed by water scarcity on biodiversity and human welfare.

WATER AND WASTEWATER TREATMENT MARKET BY APPLICATION

1) Water Treatment Plant

Water treatment plants are extensively implemented for treating water from ground, surface, or rainwater sources to meet drinking water standards. The water treatment plant consists of several stages including, coagulation, flocculation, sedimentation, filtration, and disinfection. Coagulation is the initial stage in the water treatment plant in which chemicals having positive charge are added to the water. These positive charged chemicals neutralize the negative charge of dirt and also a variety of dissolved particles in the water. After this process particles get bind along with chemicals to form comparatively larger particles. Flocculation is a process in which there is gentle mixing of water to form heavier particles called flocs. Sedimentation process is used to remove solids from the water. During this process flocs generated from flocculation process gets settle at the bottom. After these flocs are settled down, the remaining clear water at the top is sent for filtration to removal of solids from water. This water is passed through filters that has different pore sizes and are made up of variety of materials such as, gravel, charcoal and sand, among others. These filters aids to remove dissolved particles and germs including, chemicals, bacteria, dust, viruses and parasites, among others. This filtered water is further disinfected by adding one or more chemicals such as, chlorine, chloramine, and chlorine dioxide, among others which helps in eliminating bacteria, viruses and parasites. This water before leaving the water treatment plant must have low levels of chemical disinfectant and this left disinfectant helps in destroying germs in the pipelines.

2) Sewage Water Treatment Plant

Sewage treatment is a process in which contaminants from residential households, commercial buildings, and municipal wastewater. Relying on the municipality sewage treatment plant dimension, the wastewater treatment can be done for family sewage and industrial wastewater. These plants have key role in keeping residents secure and healthy with treatment of wastewater by physical, chemical, and biological treatment, before this wastewater is being discharged into the environment. In sewage water treatment plant, wastewater is introduced through a filtering process which acts as a pre-treatment process. This water passes through screens and gets settled at basins which is later removed in large quantities. Later basic three treatment steps processes are used to treat this wastewater including, primary, secondary and tertiary treatment. Initially in primary treatment, the wastewater passes through foremost clarifiers. In these tanks, natural solids get collected at the backside of the tank and the resources which are lighter waft to the top for removal. The secondary treatment process consists of an aerobic aeration in which exchange of oxygen with microbes takes place that aids to digestion of matters by the microorganism. In the tertiary treatment process, the wastewater is passed through sand filters which removes fine particulate matter. Further this water passes through ultraviolet (UV) lights that eliminates bacteria and viruses.

3) Common Effluent Treatment Plant



Common effluent treatment plant consists of a variety of processes including, collecting, conveying, treating, and disposing of industrial effluents. These effluents may be industrial wastewaters and domestic sewage that is produced in industrial plants. These plants are implemented by small and medium scale industries for treatment of their effluents. These plants have relatively less effluent treatment expenses and also provides comparatively higher collective treatment and reduces land expenses. The plants consist of several stages for treating wastewater including, sludge management, preliminary, primary, secondary and tertiary treatments. Usually, there are two types of common effluent treatment plant such as, homogenous and heterogeneous plants. Homogenous plants are implemented when several industries are of similar range and produces similar kind of wastewater. Whereas, heterogeneous plants are implemented when several industries produce variety of products that can have different wastewater.

4) Zero Liquid Discharge

Zero liquid discharge (ZLD) refers to the treatment and reuse of wastewater generated by industry within its premises. It was mandated by the CPCB in 2015 for textile and pulp and paper industries, distilleries, and tanneries. The textile industry in Tirupur is the first one to adopt zero liquid discharge scheme in the country. With the adoption of reverse osmosis (RO), the industry could reuse the treated wastewater and recover the salts. The cost associated with RO and operational difficulties often limit the performance of ZLD scheme. The thermal treatment unit is also expensive, which increases the capital cost of ZLD.

TREATMENT TECHNOLOGIES

Wastewater treatment technologies play a crucial role in safeguarding the environment and public health by removing pollutants and contaminants from wastewater before it is discharged into water bodies. There are various advanced technologies used for wastewater treatment, each with its own set of advantages and applications. One of the most commonly used methods is biological treatment, which utilizes microorganisms to break down organic matter in the wastewater. This process can be further enhanced through techniques such as activated sludge or sequencing batch reactors.

Physical processes, such as sedimentation, filtration, and disinfection using UV or chlorination, are also essential for removing solids and pathogens from wastewater. Additionally, chemical treatments involving coagulation, flocculation, and advanced oxidation processes are effective in reducing nutrient levels and harmful chemicals.

In recent years, innovative technologies like membrane bioreactors (MBRs), constructed wetlands, and electrocoagulation have gained prominence due to their high removal efficiencies and lower environmental impact.

Moreover, decentralized systems like anaerobic digestion for biogas generation or water reuse through reverse osmosis have provided sustainable solutions for managing industrial or municipal effluents.

As environmental regulations become more stringent worldwide, there is a growing focus on developing cost-effective and energy-efficient treatment technologies that can address emerging pollutants like pharmaceuticals and microplastics.

Overall, continuous research and innovation in wastewater treatment technologies are crucial to meeting the increasing demand for clean water resources while minimizing the environmental footprint of our activities.

GLOBAL WASTEWATER TREATMENT INDUSTRY

The global water treatment industry is segmented by technology, application, end-user, and region.

By technology, the market is segmented into membrane filtration, chemical treatment, biological treatment, and others. Membrane filtration is the fastest-growing segment of the market, due to its high efficiency and optimal operating costs.

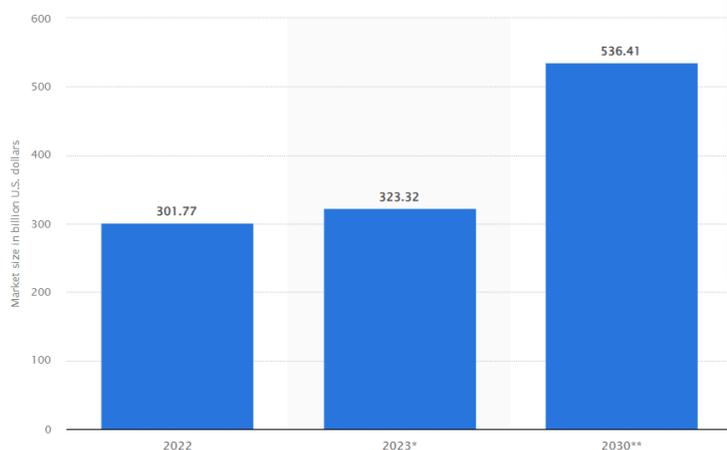
By application, the market is segmented into municipal water treatment, industrial water treatment, and others. Municipal water treatment is the largest segment of the market, accounting for majority and focus both of the market share. This is due to the increasing demand for safe and clean drinking water from municipal water treatment plants.

By end-user, the market is segmented into residential, commercial, and industrial. The industrial segment is the fastest-growing segment of the market, due to the increasing demand for water treatment services from industrial companies.

GLOBAL MARKET SIZE OF WATER AND WASTEWATER TREATMENT

The global water and wastewater treatment market was valued at **301.7 billion U.S. dollars in 2022**. The market is projected to reach a value of approximately **536.4 billion U.S. dollars by 2030**, registering a **CAGR of 7.5 percent during the forecast period of 2023 to 2030 period**.

Water and wastewater treatment market size:



This growth is driven amongst others by the continuing trend of urbanisation: currently, 57% of the world population lives in urban areas, and the average annual growth rate of urban populations is 4.4% due mostly to the fact that some 80% of the world's GDP is produced in urban areas. Beyond this, however, total global water demand is expected to grow by between 20-30% by 2050, increasing pressure on available resources and placing a premium on the value of treated wastewater. Increasing freshwater scarcity in some regions, the rapid growth in emerging markets, rising concerns around environmental degradation, increasing by companies in advanced wastewater treatment technology and growing emphasis on water quality and public health, are all factors contributing to the rise in demand for water treatment services. Governments are introducing increasingly stringent laws and regulations related to both water quality and pollution, and are developing medium and long term policies requiring the expansion of water treatment facilities.



Meeting the increasing demand for clean water means we need to invest in water treatment services. But, there are challenges. Many areas lack the necessary infrastructure, and setting up and running treatment plants is expensive. Still, the most significant advancements have been in top-tier treatments like membrane separation and activated sludge methods.

Source: <https://www.waterdiplomat.org/story/2023/03/global-water-treatment-market-grow-rapidly>
<https://www.waterdiplomat.org/story/2023/03/global-water-treatment-market-grow-rapidly>

GLOBAL INDUSTRIAL WASTEWATER TREATMENT MARKET

The Global Industrial Wastewater Treatment Market Size was valued over **USD 106.6 billion in 2021**, and is expected to cross value of **USD 193.7 billion by 2031**, and grow at a **CAGR of 5%** over the **forecast period 2022-2031**.

Extensive R&D activities carried out by wastewater treatment technology providers is contributing to the growth of industrial wastewater treatment. Market players are emphasizing on adoption of new technologies such as biological treatment, membrane bioreactor, and activated sludge. Most industries are now required to treat their wastewater on site before it is discharged into the river or sewer. Governments are implementing strict regulations to battle water pollution, which is significantly contributing to the growth of the industrial wastewater treatment market. Manufacturers should tap into incremental opportunities by focussing on the deployment of ZLD technologies to broaden their revenue streams.

<https://www.transparencymarketresearch.com/industrial-wastewater-treatment-market.html>

INDIA WATER AND WASTEWATER TREATMENT INDUSTRY

Water and wastewater management is a promising subsector in India's environmental technology segment. India's demand for water is projected to be twice as much as the available supply by 2030. To overcome these challenges, public and private sector facilities have ambitious plans to develop comprehensive water and wastewater treatment and distribution infrastructure. Demand for high-end treatment technologies is growing in India.

According to a 2022 Frost & Sullivan report, the Indian water and wastewater treatment market will likely reach **\$2.08 billion by 2025 from \$1.31 billion in 2020**, registering growth at a **compound annual growth rate (CAGR) of 9.7 percent**. The report also ranked India as the sixth largest market for environmental technologies in the world, with sub sector rankings of second for water/wastewater management.

Various governmental initiatives, such as the Atal Mission for Rejuvenation and Urban Transformation, National Mission for Clean Ganga, Jal Jeevan Mission, and Community Drinking Water Schemes, contribute to the growth of the Indian water and wastewater treatment market. In May 2019, the Indian government created the Jal Shakti Ministry, bringing all water-related agencies under one ministry to provide safe drinking water to the people of India. Soon to increase household water connection coverage from 18.33 percent in 2019 to 100 percent by 2024. This ambitious project is creating opportunities for suppliers of water meters, water quality monitoring systems, water management-related IT systems, tertiary treatment technology, and water-related Engineering, Procurement, and Construction companies.

The private sector power, food and beverage, chemicals, pharmaceuticals, refineries, and textiles industries prefer advanced treatment technological systems such as reverse osmosis membranes for treating their

wastewater. These water treatment markets are gradually shifting from chemical treatment and demineralization plants to membrane technology. The concept of wastewater recycling and zero discharge systems is becoming more widely accepted as new technologies such as sequencing batch reactor (SBR) and membrane bioreactor (MBR) based treatment gain in adoption.

Source: <https://www.trade.gov/market-intelligence/india-water-and-wastewater-treatment-industry>

WATER AVAILABILITY AND DEMAND

Every year on an average, India receives nearly 4000 BCM of water through rainfall, of which about 1999 BCM forms available water resources in rivers, lakes, reservoir, ground water and glaciers. However, the distribution of this quantity is not uniform across the country; apparently some river basins are acutely drought prone, while some are frequently devastated by flood. For example, the most flood prone basin of Brahmaputra & Barak, have an annual average water availability of 614 BCM, drains its major share into Bay of Bengal. At the same time, basins like Cauvery and East Flowing Rivers (EFR) between Pennar and Kanyakumari are facing water deficiency. On the other hand, India's development requirements grow at an optimistically positive rate. Population growth is also not an exception. The UN's population projection for India by 2050, which was relied upon by the NCIWRD while assessing the water demand for 2050, was 1500 million. But, we are about to cross this figure in 2030 itself. In addition, there is a surge in migration to urban centres leading to substantial growth in urban water demand.

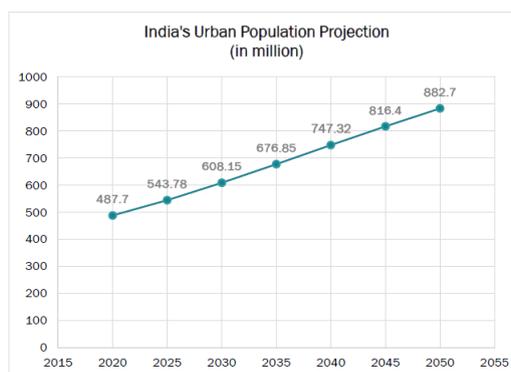


Figure 1: Projection of Indian Urban Population till 2050
Source: World Bank's DataBank
<https://databank.worldbank.org/source/population-estimates-and-projections#>

Sources: https://www.niti.gov.in/sites/default/files/202308/Revised_Strategy_Paper_on_Reuse_of_Treated_wastewater_in_peri-urban_agriculture_in_India.pdf

STATUS OF WASTEWATER GENERATION AND TREATMENT

According to the national inventory of sewage treatment plants (STPs) published by CPCB (2021), out of 1093 functional WWTPs in India, 570 WWTPs were found to comply with the prescribed discharge standards, which means that only 17% of the wastewater generated is getting the necessary treatment. Stringent rules and discharge standards are enforced for industrial effluents. According to the report submitted by CPCB to National Green Tribunal (NGT) in 2020, 64,484 industries require effluent treatment plants (ETPs) and 3% of them do not have ETPs. Out of eight CETPs located along the banks of River Ganga, only one was found complying with the discharge standards (CPCB, 2021). There is a major shift towards the reuse of treated wastewater globally.

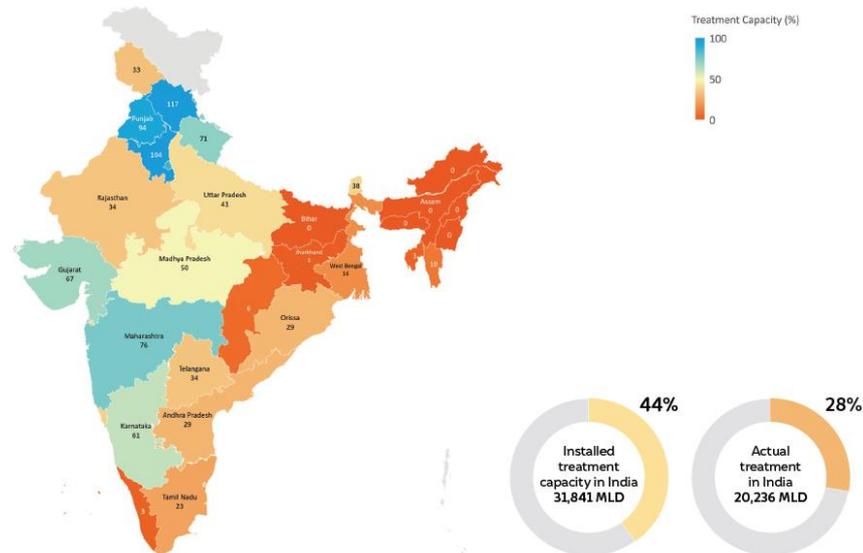
In India, most states are reusing the wastewater for non-potable purposes such as horticulture, irrigation, washing activities, and non-contact impoundments. The state of Haryana is topmost in terms of the amount of wastewater reused, with approximately 80% of the treated wastewater used for various purposes. The National Capital Territory (NCT) of Delhi has set a target to increase wastewater reuse by 60% and the proposed reuse practices include irrigation, rejuvenation of water bodies, and indirect potable use.

Source: *Publishing of International Water Association: Domestic and industrial wastewater treatment: current status and challenges in India*

Nevertheless, India has made substantial progress in strengthening its operational treatment capacity, from only 18,883 MLD in 2014 to 26,869 MLD in 2020, which is an increase of over 40 per cent (CPCB 2021).

But a lot more remains to be done to manage wastewater and address the challenges imposed by water scarcity.

Sewage treatment capacity in most states is below 50% of sewage generation.



Source: Authors' analysis, data from CPCB (2021)
 Note: In Himachal Pradesh and Haryana, the installed sewage treatment capacity surpasses the sewage generation.

CHALLENGES IN MANAGING WASTEWATER

Managing wastewater is quite challenging in India on account of a variety of reasons including mixing up of all kinds of used water, lack of sewage networks, issues related to improper/lack of maintenance, giving less importance than it deserves, and misconception on abundance on freshwater availability and many more. However, two most important challenges are the significant gap in existing treatment capacity, and the less penetration of advanced treatment technology.

Source: Publication of Niti Ayog- Reuse of Treated Wastewater in Urban/ Pre-Urban Agriculture in India; June 2023

CHALLENGES IN DOMESTIC WASTEWATER TREATMENT IN INDIA

1. Institutional Challenges

- The Urban Local Bodies (ULBs) in India are responsible for the provision and maintenance of wastewater treatment facilities in their administrative area. However, in many cases, they lack the capacity to plan and implement such projects.
- The existing institutional, policy and legal mechanisms to enforce the management of wastewater are riddled with staff shortages in scientific, technical, and administrative domains that limits the capacity of SPCBs to monitor water quality and disseminate results.
- Labs are not well equipped due to a shortage of manpower and procurement delays in instruments, equipment, and consumables which leads to delay in water quality testing.

2. Regulatory challenges

Challenges in relation to regulation occur in standards, monitoring, and jurisdiction. The Pollution Control Boards (PCB) and an active judiciary including the National Green Tribunal (NGT) look after the pollution control.

3. Economic Challenges

Smaller cities and towns face difficulty in finding necessary resources for setting up STPs due to high capital expenditure and operation and maintenance costs, which also discourages the entry of private players.

In contrast with Decentralised Wastewater Treatment (DWWT), centralised systems have higher capital and O&M expenses due to more complex systems, need for technical expertise, and energy requirements. Finding appropriate land for Centralised Wastewater Treatment (CWWT) is difficult considering the higher land values in urban areas. In addition, the phased investment considering the population growth and land-use pattern is difficult in centralised STP systems.

4. Technological Challenges

An over-dependence on older technologies for handling wastewater due to limited funds and higher expenditures pushes the government to choose technologies with lower capital costs despite their poor performance parameters. The knowledge gap along with the ignorance regarding newer technologies further leads to the perpetuation of outdated and inefficient technologies.

5. Social Challenges

The citizens are usually not well informed about the issues related to water scarcity and the positive outcomes of water reuse and recycling. In many cases, people are reluctant to use reclaimed water for both potable and non-potable purposes. Recycled water is very less likely to be accepted for drinking purposes compared to its non-potable purposes like irrigation of parks. People often have negative emotions of fear and disgust when it comes to the usage of recycled wastewater.

Source: Urban wastewater scenario in India Water Portal

REGULATIONS AND POLICIES ON WASTEWATER MANAGEMENT

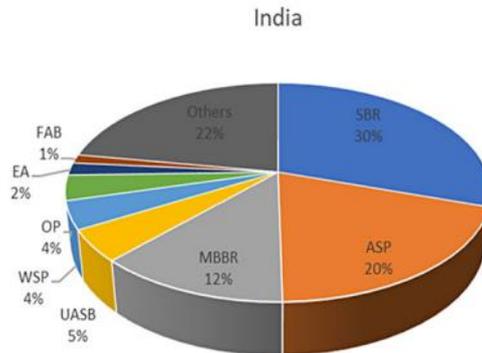
There are laws and policies in place to prevent water pollution. In India, the Water Act, 1974 resulted in the establishment of central and state pollution control boards to curtail water pollution. The pollution control boards have actively enforced the regulations for treating and discharging municipal and industrial effluents. As part of the Environmental Act, 1986, regulations were introduced to specify the discharge standards for particular applications such as irrigation, domestic, industrial, recreation, and so on. There have been measures to curb pollution and rejuvenation of major rivers. The Ganga action plan (GAP) launched in 1985 created infrastructure for the collection and treatment of wastewater. The 'Namami Gange' programme launched in 2014 with an approved budget of 20,000 crores aims at the conservation and rejuvenation of Ganga including infrastructure for wastewater treatment, river front development, cleaning of river surface, and the conservation of biodiversity. In addition, there are other flagship programmes such as the Swachh Bharat Abhiyan (Clean India Mission), the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the Smart City Initiative focusing on achieving SDG6 goals.

The National Water Policy released in 2012 emphasizes the reusing and recycling of water and the provision of sanitation amongst other measures. The National Green Tribunal (NGT) order in 2019 highlights the need to reuse and recycle wastewater to meet the water demand. The thermal power plants within the 50 km radius of WWTPs are directed to use the treated wastewater as per the Tariff policy, 2016. There are initiatives to encourage sludge management. Solid waste management rules, 2016 mandate the urban local bodies (ULBs)



to treat the sludge and promote reuse in agriculture. Waste to energy initiative is promoted by the Ministry of New and Renewable Energy.

Technology-wise distribution of different WWTPs based on installed capacity:



Source: Publishing of International Water Association: Domestic and industrial wastewater treatment: current status and challenges in India

INITIATIVES OF THE GOVERNMENT OF INDIA FOR WASTEWATER MANAGEMENT

The Government of India has initiated a number of steps and launched various schemes/ programmes for making availability of water, its conservation and distribution. The details of some of the major schemes/ programmes are as under:

National Water Mission

National Water Mission has been launched with the objective of conservation of water, minimizing wastage and ensuring its more equitable distribution both across and within States through integrated water resources development and management.

Under this mission, a campaign namely "Sahi Fasal" has also been initiated to nudge farmers to favour agricultural crops which consume less water and to use water more efficiently in agriculture, as a part of demand side management.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched by the Government of India on June 25, 2015 in selected 500 cities and towns across the country for a period of 5 years i.e. from FY 2015-2016 to FY 2019-2020, which has been extended for completing the grounded projects. The Mission focuses on the development of basic urban infrastructure in the Mission cities in the sectors of water supply, sewerage & septage management, storm water drainage, green spaces & parks and non-motorized urban transport.

Jal Jeevan Mission-Har Ghar Jal

Jal Jeevan Mission-Har Ghar Jal is being implemented by Government of India, in partnership with States since August, 2019, which aims at providing potable water in adequate quantity (55 litres per capita per day) of prescribed quality (BIS:10500) on regular and long-term basis to every rural household through tap water connection, by 2024.



At the time of announcement of Jal Jeevan Mission in August 2019, 3.23 Crore (17%) rural households were reported to have tap water connections. So far, as reported by States/UTs as on 06.02.2023, around 7.87 Crore rural households have been provided with tap water connections in last three and half years under JJM. Thus, as on 06.02.2023, out of 19.36 Crore rural households in the country, around 11.10 Crore (57%) households are reported to have tap water supply in their homes.

Jal Shakti Abhiyan-I (JSA-I)

Jal Shakti Abhiyan-I (JSA-I) was launched in 2019 in 256 water stressed districts to promote water conservation and water resource management by focusing on accelerated implementation of five target interventions, viz., water conservation and rainwater harvesting, renovation of traditional and other water bodies/ tanks, reuse and recharge of bore wells, watershed development and intensive afforestation.

Atal Bhujal Yojana

The Atal Bhujal Yojana has been launched in the water-stressed states of India. This includes Gujarat, Haryana, Karnataka, Maharashtra, Uttar Pradesh, Rajasthan, and Madhya Pradesh where the groundwater levels are low.

In total, the scheme will cover 78 districts, 193 blocks, and more than 8,300 gram panchayats across these states.

The Objectives of Atal Bhujal Yojana are:

- Boost groundwater levels and create sufficient water storage for agricultural purposes.
- Focus on the renewal of surface water bodies to increase groundwater levels, especially in rural areas.
- Enable Indian states to recharge groundwater sources and ensure efficient use of water by involving people at the local level.

Source: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1897617>

EPC CONTRIBUTION TO WATER AND WASTEWATER TREATMENT MARKET

Engineering, Procurement, and Construction (EPC) is widely favored as a project management approach. In this contractual model, the general contractor assumes most of the project's risks. The client delegates all project tasks, including design, procurement, and construction, to the contractor. Regardless of any additional expenses, the contractor sets a fixed fee, ensuring predictability for customers who highly value adherence to commissioning dates. Consequently, EPC contracts are increasingly popular for building wastewater treatment plants.

Customer concern primarily revolves around project costs when constructing or expanding wastewater treatment facilities. Costs vary depending on technology, equipment, and wastewater flow rates. Additionally, regulatory compliance and wastewater composition are critical considerations to avoid fines during plant operation.

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OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no. 24 of this Draft Red Herring Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled "Financial Statement as Restated" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page nos. 24 and 211 respectively, of this Draft Red Herring Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references to "we", "us", "our" and "our Company" are to Apex Ecotech Limited and Group Entities as the case may be.

Overview

The Company was incorporated as Apex Ecotech Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 01, 2009 in Maharashtra - Pune. Subsequently, the Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024. The name of our Company was changed from "Apex Ecotech Private Limited" to "Apex Ecotech Limited" vide a fresh Certificate of Incorporation dated July 02, 2024 having CIN U29299PN2009PLC133737 issued by the Registrar of Companies, Central Processing Centre. The registered office of our company is situated at Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017, India.

Apex Ecotech Limited is an ISO 9001:2015 certified company. It is fronted by experienced & knowledgeable engineering professionals and undertakes turnkey projects in the industry providing comprehensive solutions for water & wastewater treatment, recycling and reuse for myriad applications. Our services include setting up Raw Water Treatment for industrial processes, Effluent & Sewage Treatment Plants to meet pollution norms, providing Sludge Dewatering Equipment, recycling of pretreated wastewater through Membrane systems (Ultrafiltration, Nano Filtration, Reverse Osmosis, Disc Type RO etc.) and Thermal / Vapor Compression-based Evaporators & Crystallizers for Zero Liquid Discharge Systems. Furthermore, we offer and provide after sales support along with Operation & Maintenance services to our clients.

The Company was founded by Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina and later joined by Mr. Lalit Datta (who is now retired from active service). They have a combined experience of 120+ years and are involved in daily functioning and operations of the company. For further information, please refer to section titled "Our Promoters" beginning on page 175 of this Draft Red Herring Prospectus.

Our primary objective is to provide value added, sustainable, reliable and energy efficient solutions in line with global standards and advanced technologies. We strive to achieve optimized recovery & efficiency from systems, minimized generation of rejects & sludge, the treated water is then reused for different applications such as industrial processes, cooling tower makeup, boiler feed, flushing water makeup, horticulture etc. It is our constant endeavor to meet customer expectations, increase uptime with sustained and reliable deliverance.



The in-house team is adept in designing, engineering, total project management & after sales services along with having accomplished professionals to manage accounts, finance, commercial, logistics and statutory obligations thus making us self- sufficient and self-reliant in all aspects. In line with our core strengths, we have the expertise to customize optimal solutions for treatment, recycle and reuse.

Apex Ecotech Limited over the years has been trusted by large domestic & global MNCs and some of our esteemed clientele includes Aditya Birla Group, Ashok Leyland, Apotex Research, Bharatiyam, Escorts Kubota, Haldiram, Hero Motocorp, Honda Cars, Honda Scooters & Motorcycle, HUL, Jubilant, Kohler, Lenskart, Mahindra & Mahindra, PepsiCo, Piramal Pharma, Reckitt Benckiser, Shimizu Corporation, SMCC, Takenaka and many more valued users. We have successfully delivered complete ZLD systems achieving an overall recovery > 98% for water reuse applications e.g. process water applications, boiler feed, cooling tower makeup water, air washers, horticulture, toilet flushing etc.

The coming times are extremely challenging due to increasing global population, urbanization, industrialization, resource misuse, global warming, disproportionate distribution and receding tables are likely to make water a contested resource in several parts of the world. Major initiatives are being undertaken to address the issues of water conservation, water recycling, maintaining natural inhabitation and ensuring clean & flowing water reservoirs and rivers across the globe. The Indian Government, NCT Green Tribunal and Judiciary have taken cognizance and are taking strong and meaningful steps to limit the looming threat.

Apex Ecotech Limited is committed to the rising requirements & opportunities in its area of operations and to accomplish accelerated & ethical growth. Its endeavor would be oriented towards client satisfaction, increased revenue and profits, suitably return the favor to the investors and experience gratification in contributing towards water conservation & reuse.

Key Highlights

- We have a client base of more than 150 customers with numerous repeat orders from esteemed groups.
- We have successfully commissioned & handed over 250+ Water & Wastewater Treatment turnkey projects.
- We have successfully installed & commissioned latest global technologies like EDR, MBR, MVR etc. and have been accredited with recognition & awards for their successfully implementation in India.
- We have developed strong relationships with global OEMs & System Integrators like Veolia, Dupont, Pentair, Grundfos, Forbes etc.
- 145 million Liters / Day – Total volume of Water & Wastewater Treatment Plants have been commissioned till date.
- 5.5 million Liters / Day – Total volume of Zero Liquid Discharge Plants have been commissioned till date.

Industries We Serve

In line with our vision and continuous endeavor to retrieve useful water from wastewaters and aqueous solutions, our Company is focusing its domain expertise in the sectors mentioned hereunder:

| | | | | | | |
|------------------------------|-----------------------------|-----------------------|-----------------------|--------------------|--------------------------|----------------------|
| Automobiles & Auto Ancillary | Food Processing & Beverages | Milk & Dairy Products | Chemical & Pesticides | Oil & Edibles | Electrical & Electronics | Optical & Healthcare |
| Pharmaceuticals & Aromatics | Real Estate & Hospitality | Metals & Mining | Sanitary & Fittings | Leaving & Textiles | Breweries & Distilleries | Rubber & Leather |

Mission

To render unparalleled and innovative technical solutions & services to a vast clientele with utmost integrity, dedication, resolute core values and committed deliverances and leaving an indelible mark on the water & wastewater Industry.

Vision

To be acknowledged as a veritable powerhouse specializing in evolving and providing global standard solutions spanning the whole spectrum of the water world.

OUR BUSINESS SEGMENT

WATER TREATMENT

Raw water treatment is required for making source water suitable for drinking, domestic and industrial purposes. Each source will have varied types of contaminants in the water and thus would require suitable treatment processes and technologies to ensure desired output parameters and recoveries. We offer a range of advanced technologies customized to meet the specific requirements including conventional Filtration & pre-treatment, Resin based systems, Ultrafiltration, Reverse Osmosis, Demineralization, high pressure Reverse Osmosis Systems, Electrodialysis Reversal systems (EDR) etc. to ensure reliable, sustainable, energy efficient with optimum capex & opex.

PRE-TREATMENT CLARIFICATION & PUMPING SYSTEM INSTALLED FOR TREATMENT OF RIVER WATER (GUJARAT)



DEMINERALIZED PLANT FOR RAW WATER TREATMENT IN DISTILLERY (MAHARASHTRA)



SEWAGE TREATMENT PLANTS (STP)

Fresh potable water is one the most important natural resources for the existence & well-being of all living beings. Increasing global population, urbanization, industrialization, resource misuse, global warming, disproportionate distribution and receding tables are likely to make water a contested resource in several parts of the world.

We offer Sewage Treatment Plant (STP - Prefabricated and site erected in Civil) for commercial establishments, hospitals, hotels, residential societies and industrial complexes based on conventional technologies like Activated Sludge Process, Extended Aeration, Moving Bed Bioreactors along with advanced technologies like MBR (Membrane Bioreactor) ensuring improved water output quality to meet pollution norms, reliable performance, optimal & valued added capital & operating costs and minimal space requirement.

PREFABRICATED SEWAGE TREATMENT PLANT FOR INDUSTRY & COMMERCIAL ESTABLISHMENTS



STP BASED ON MEMBRANE BIOREACTOR & EXTENDED AERATION TECHNOLOGIES RESPECTIVELY



EFFLUENT / WASTEWATER TREATMENT PLANTS (ETP / WWTP)

The effluent / wastewater treatment systems are designed in accordance with the client & process requirements. It is our endeavor to provide efficient, low energy systems operating on lower chemical consumption and are abreast with latest global technologies to output quality standards in line with the latest pollution disposal norms.

EFFLUENT / WASTEWATER TREATMENT PLANT IN AUTOMOBILE INDUSTRY (GUJARAT)



EFFLUENT / WASTEWATER TREATMENT PLANT IN AUTOMOBILE INDUSTRY (KARNATAKA)



MEMBRANE RECYCLE SYSTEMS

It is extremely important that the treated sewage / wastewater is further treated to make it suitable for domestic reuse e.g. Horticulture, Toilet Flushing, Road Wash etc. and industrial reuse e.g. Boiler Feed, Cooling Tower Water makeup, Process Water etc. This would ensure limited consumption of freshwater and contribute towards conserving the water tables. We have successfully designed & commissioned multiple projects across the country on advanced global technologies & have received multiple repeat orders from our esteemed clients.

MEMBRANE RECYCLE SYSTEMS CONSISTING OF MULTIPLE REVERSE OSMOSIS PLANTS



RECYCLE SYSTEM BASED ON ELECTRO DYLASIS REVERSAL & REVERSE OSMOSIS SYSTEM (TAMIL NADU)



EVAPORATORS (THERMAL/MECHANICAL VAPOR COMPRESSION) & CRYSTALLIZERS / AGITATED THIN FILM DRYER (ATFD)

The treated water from the Permeate Stream Recycle Systems is reused and the Reject high concentration Stream of Total Dissolved Solids (TDS) requires further treatment. The condensate from the evaporator is mixed with the permeate of the recycle system for reuse and the salt generated from the Evaporator is disposed suitably by the client as hazardous waste. An evaporator is generally designed & operated under vacuum to optimize and lower the energy costs. We have successfully designed, installed & commissioned multiple projects across the country based on advanced, global technologies and have received multiple repeat orders from our esteemed clients.

EVAPORATORS INSTALLED POST MEMBRANE RECYCLE SYSTEMS FOR HIGHER RECOVERY



ELECTRICAL PANELS & AUTOMATION

Electrical Panels and Plant automation is integral to the plant performance & is primarily segmented an MCC Panel & Control Panel. Our team along with OEMs have designed, supplied & commissioned different types ranging from Non-Compartmental & Compartmental, Single & Double Front, Draw Out & Non-Draw Out etc. following different specifications as per IEC standards.



DEWATERING SYSTEMS

The sludge generated from the sewage and Wastewater treatment is in the form of flowing slurry and thus the water is to be recovered from the sludge, it essentially becomes a part of the treatment scheme. Apex Ecotech has installed conventional and advanced equipment e.g. Drying Beds, Filter Press, Decanter Systems, Centrifuges, Volute Press etc. based on different technologies, further the volume of the dewatered wet sludge which still has high moisture content can be fed into Sludge Dryer Systems to achieve dry powder like output. This will reduce sludge handling operations & disposal.

SLUDGE DEWATERING SYSTEMS (VOLUTE PRESS & DECANTER SYSTEM RESPECTIVELY)





CHEMICALS & SPARES

Our company provides generic and specialized chemicals along with spares from the OEMs for smooth and efficient operations of the equipment / system. The end user has an option to source the chemicals & spares directly from the market / OEM or from Apex Ecotech. One of the criteria during the design of the system is to evaluate the ease of availability of spares ensuring reduced downtime, generally the clients maintain a minimum inventory of essential spares and chemicals at their works for sustained operations.

OPERATIONS & MAINTENANCE

Our company offers comprehensive Operations and Maintenance (O&M) services for water and wastewater treatment plants supplied & commissioned by us. After the completion of the project we continue to support our clients by ensuring the smooth functioning and longevity of their treatment facilities. Our O&M services include Supervisory Control and Data Acquisition (SCADA) monitoring, testing, inspection, and manpower support.

Our team of professional engineers and skilled manpower provides on-site management and execution support, including performance optimization, monitoring, analysis, troubleshooting, and compliance assurance. We also offer testing and inspection services to ensure the integrity, safety, and reliability of plant systems and components. Regular inspections help in identifying potential issues, preventing failures, and minimizing downtime or safety incidents.

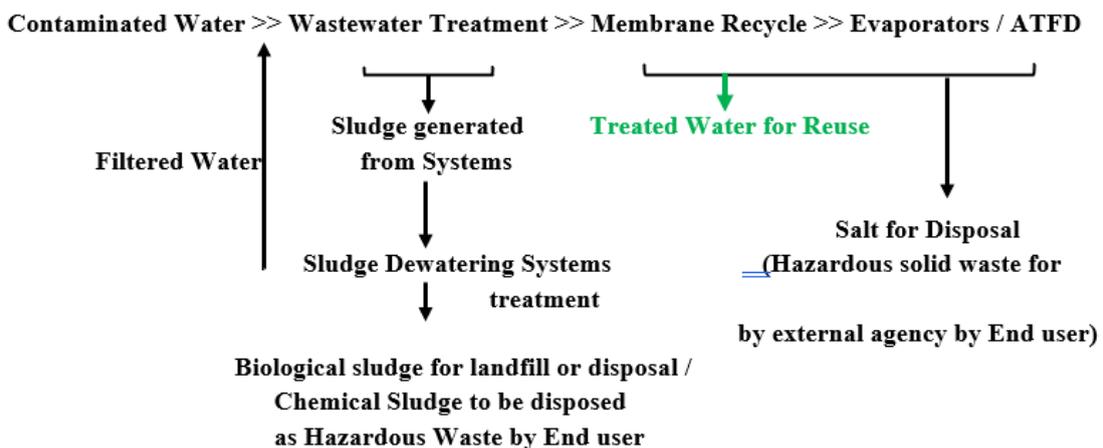
ZERO LIQUID DISCHARGE (ZLD)

ZLD concept as an initiative is essentially for the larger Industrial units to ensure that all the contaminated water being generated from various sources / processes e.g. sewage, kitchen, industrial processes etc. is to be treated and reused for applications without disposing any water outside the premises. Further the treated water being used for horticulture, cleaning, roadwash etc. is also to be maintained within stipulated parameters.

The norms are governed by the State Pollution Control Board for their respective states; however, they have to be either same or better than as stipulated by the Center Pollution Control Board.

The treated water cannot be used for human consumption e.g. drinking / cooking / washing etc. and hence, are used for myriad other applications. E.g. Horticulture & Landscaping, Toilet Flushing, Industrial Process Water, Cooling water makeup, Steam Boiler Feed etc. This would reduce the freshwater intake from Municipal Authorities, Borewell etc.

Therefore, to achieve ZLD, generally it would follow the below mentioned sequence:



ZERO LIQUID DISCHARGE PLANTS



FINANCIAL KPI's AND REVENUE BIFURCATION OF OUR COMPANY:

Amount in ₹ lakhs except %

| Particulars | For the Year ended on March 31 | | |
|-----------------------------------|--------------------------------|----------|----------|
| | 2024 | 2023 | 2022 |
| Revenue from Operations | 5,308.09 | 3,457.38 | 1,951.18 |
| EBITDA | 888.07 | 418.56 | -43.14 |
| EBITDA Margin (%) | 16.73% | 12.11% | -2.21% |
| RoCE (%) | 59.61% | 54.49% | -5.73% |
| Current Ratio | 2.36 | 1.66 | 1.64 |
| Operating Cash Flows | 594.04 | 348.83 | 45.20 |
| Profit After Tax | 663.04 | 352.10 | (65.86) |
| RoE (%) | 60.38% | 64.43% | -16.33% |
| EPS (in ₹) (after bonus adjusted) | 7.25 | 3.85 | (0.72) |

Revenue wise Bifurcation

Business segment-wise Revenue Bifurcation for the period of last three financial years ending as on March 31, 2024, 2023, 2022 is provided below:

| Particulars | For the financial year ended | | |
|-------------------|------------------------------|---------------------|---------------------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| | Amount (₹ in lakhs) | Amount (₹ in lakhs) | Amount (₹ in lakhs) |
| WTP | 14.02 | 0.78 | 0.66 |
| WWTP | 30.56 | 20.22 | 16.05 |
| ZLD | 4.81 | 11.80 | - |
| Services/ O&M | 1.80 | 1.40 | 1.69 |
| Chemical & Spares | 1.91 | 0.86 | 0.82 |



Segment-wise Revenue Bifurcation for the period of last three financial years ending as on March 31, 2024, 2023, 2022 is provided below:

| Particulars | For the financial year ended | | | | | |
|--------------------------------|------------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % |
| Sale of Products | 5,118.32 | 96.42% | 3,336.58 | 96.51% | 1,471.38 | 75.41% |
| Supply of Services | 189.77 | 3.58% | 120.80 | 3.49% | 479.81 | 24.59% |
| Revenue from Operations | 5,308.09 | 100.00% | 3,457.38 | 100.00% | 1,951.18 | 100.00% |

Revenue bifurcation geographical wise for the period of last three financial years ending as on March 31, 2024, 2023, and 2022 is provided below:

| Particulars | For the financial year ended | | | | | |
|--------------------------------|------------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % |
| Domestic | 4,900.38 | 92.32% | 2,975.44 | 86.06% | 1,951.18 | 100.00% |
| Export | 407.71 | 7.68% | 481.94 | 13.94% | 0.00 | 0.00% |
| Revenue from Operations | 5,308.09 | 100.00% | 3,457.38 | 100.00% | 1,951.18 | 100.00% |

Industry wise Revenue Bifurcation

Industry wise revenue bifurcation of the Company for the period of last three financial years ending as on March 31, 2024, 2023, and 2022 is provided below:

| Industry | For the financial year ended | | | | | |
|-----------------------------|------------------------------|--------|------------------------|--------|------------------------|--------|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % |
| Automobile & Auto ancillary | 397.36 | 7.48% | 715.69 | 20.70% | 1,073.68 | 55.03% |
| Chemicals & Pesticides | 67.33 | 1.27% | 5.60 | 0.16% | 170.00 | 8.71% |
| Food Processing & Beverages | 1,705.27 | 32.11% | 632.68 | 18.30% | 282.29 | 14.47% |
| Metals & Mining | 1,254.09 | 23.62% | 853.08 | 24.67% | 163.83 | 8.40% |
| Milk & Dairy Products | 200.91 | 3.78% | 49.40 | 1.43% | 1.45 | 0.07% |
| Oil & Edibles | 922.29 | 17.37% | - | 0.00% | - | 0.00% |
| Optical & Healthcare | 44.06 | 0.83% | 705.67 | 20.41% | 121.08 | 6.21% |
| Pharmaceuticals & Aromatics | 481.00 | 9.06% | 487.70 | 14.11% | 88.63 | 4.54% |
| Sanitary & Fittings | 154.75 | 2.91% | - | 0.00% | - | 0.00% |
| Others | 83.24 | 1.57% | 7.56 | 0.22% | 50.23 | 2.57% |



State wise Revenue Bifurcation

Revenue bifurcation of the Company for the period of last three financial years ending as on March 31, 2024, 2023, and 2022 is provided below:

| Particulars | For the financial year ended | | | | | |
|---|------------------------------|--------|------------------------|--------|------------------------|--------|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount (₹ in lakhs) | %* | Amount (₹ in lakhs) | %* | Amount (₹ in lakhs) | %* |
| Punjab | 1165.32 | 21.94% | 121.82 | 3.52% | - | 0.00% |
| Andhra Pradesh | 922.29 | 17.37% | 150.80 | 4.36% | - | 0.00% |
| Maharashtra | 897.84 | 16.91% | 267.09 | 7.73% | 172.50 | 8.84% |
| Gujarat | 669.66 | 12.61% | 17.97 | 0.52% | 805.71 | 41.29% |
| Jammu & Kashmir | 483.00 | 9.10% | - | 0.00% | - | 0.00% |
| Outside India | 407.71 | 7.68% | 487.70 | 14.11% | - | 0.00% |
| West Bengal | 292.66 | 5.51% | - | 0.00% | - | 0.00% |
| Rajasthan | 197.26 | 3.71% | 1,202.31 | 34.78% | 42.51 | 2.18% |
| Himachal Pradesh | 95.11 | 1.79% | 49.40 | 1.43% | 1.45 | 0.07% |
| Haryana | 87.90 | 1.66% | 81.80 | 2.37% | 346.98 | 17.78% |
| Uttarakhand | 62.58 | 1.18% | 0.18 | 0.01% | 86.84 | 4.45% |
| Karnataka | 28.85 | 0.54% | - | 0.00% | - | 0.00% |
| Uttar Pradesh | 0.12 | 0.00% | 229.48 | 6.64% | 397.00 | 20.35% |
| Dadar & Nagar Haveli and Daman & Diu | - | 0.00% | 848.85 | 24.55% | - | 0.00% |
| Jharkhand | - | 0.00% | - | 0.00% | 48.00 | 2.46% |
| Odisha | - | 0.00% | - | 0.00% | 50.19 | 2.57% |

* % of Revenue from Operations

OPERATIONAL KPI's OF OUR COMPANY:

Top 1,3,5,10 customers for the period of last three financial years ending as on March 31, 2024, 2023, and 2022 is provided below:

| Particulars | For the financial year ended | | | | | |
|------------------|------------------------------|--------|------------------------|--------|------------------------|--------|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % |
| Top 1 Customer | 676.32 | 12.74% | 848.85 | 24.55% | 801.22 | 41.94% |
| Top 3 Customers | 1,660.08 | 31.27% | 2,042.23 | 59.07% | 1,245.11 | 65.18% |
| Top 5 Customers | 2,566.72 | 48.35% | 2,765.53 | 79.99% | 1,455.38 | 76.18% |
| Top 10 Customers | 4,233.51 | 79.76% | 3,371.83 | 97.53% | 1,761.88 | 92.22% |

The revenue contribution from Top 10 Customers is more than 50% of the total revenue from operations but due to non-availability of consent letter of the top 10 Customers we can not provide the name in this DRHP.



1,3,5,10 suppliers for the period of last three financial years ending as on March 31, 2024, 2023, and 2022 is provided below:

| Particulars | For the financial year ended | | | | | |
|------------------|------------------------------|--------|--------------|--------|--------------|--------|
| | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
| | Amount | % | Amount | % | Amount | % |
| | (₹ in lakhs) | | (₹ in lakhs) | | (₹ in lakhs) | |
| Top 1 Supplier | 272.50 | 8.35% | 288.35 | 12.48% | 92.49 | 8.94% |
| Top 3 Suppliers | 607.76 | 18.63% | 638.00 | 27.60% | 236.52 | 22.87% |
| Top 5 Suppliers | 934.72 | 28.65% | 912.42 | 39.48% | 357.48 | 34.57% |
| Top 10 Suppliers | 1,559.58 | 47.81% | 1,272.16 | 55.04% | 583.79 | 56.46% |

OUR BUSINESS DOMAIN

| Process | Source | Solutions/Technologies |
|---|--|--|
| Water Pre-Treatment | River, Canal, Dam Water, Reservoirs Bore well, Open Well, Municipal Water etc. | Settling, Filtration, Softening, Ultrafiltration (External & Submerged), Membrane Systems (Micro, Nano, RO, Hybrid), De Mineralization etc. |
| Water Treatment | Drinking Water, Domestic & Industrial Applications | |
| Drinking Water, Domestic & Industrial Applications | Sewage generated in Townships, Societies, Commercial Complexes, Sports Centers, Hospitals, Hotels, Resorts, Recreational & Convention Centers etc. | Anaerobic, Extended Aeration, MBBR, SAFF, SBR, MBR, Electro Chemical, Hybrid Systems. Packaged Automatic STP on MBR Technology |
| Industrial Effluent & Wastewater Treatment Plants | Process wastewater generated in individual factories, industrial parks etc. | Reduction in contaminants vide physiochemical pre-treatment technologies e.g. Electro Chemical, Anaerobic & Biological Systems, Hybrid Process, Filtration, Disinfection, Adsorption Process |
| Recycling of Wastewater Effluents | Treated Sewage & Wastewater | High Recovery Membrane Systems – UF, RO, Nano, Micro, Hybrid systems, EDR |
| Zero Liquid Discharge Solution Systems | Final RO Rejects generated post Membrane Systems, Pre-Treatment for specific Wastewater etc. | Wastewater Pre-Treatment. Tertiary, Recycle, Sludge Handling & Evaporators (Thermal & Mechanical Compression) |
| High TDS Sea Water Desalination Systems | Sea, Ocean & Back Waters | Pre-Treatment, Settling, Ultrafiltration, SWRO membrane system, ERT |

SWOT ANALYSIS

| | |
|-----------------|--|
| Strength | } <ul style="list-style-type: none"> The company is an ISO 9001:2015 certified company Experienced founders with engineering background with 120+ years of combined experience |
|-----------------|--|

| | | |
|----------------------|---|---|
| | | <ul style="list-style-type: none"> • Comprehensive turnkey water and wastewater treatment solutions. • Trusted by large domestic and global MNCs. • Strong in-house design, engineering, project management, and after-sales support. |
| Weakness | } | <ul style="list-style-type: none"> • Dependence on key personnel for daily operations. • Currently there is no separate marketing setup and it is being catered by our top management |
| Opportunities | } | <ul style="list-style-type: none"> • Growing need for water conservation, recycling, and sustainable solutions. • Government initiatives and regulations promoting water treatment and conservation. • Increasing global demand due to population growth, urbanization, and industrialization. |
| Threats | } | <ul style="list-style-type: none"> • Economic Recession • Environmental and regulatory changes. • Risks associated with technological advancements and adoption. |

OUR COMPETITIVE STRENGTHS

1. In house designing, engineering and execution team

We have an in-house team for designing and engineering for the projects we undertake. Clients typically provide the scope of the project and specifications, based on which, we are required to provide structural/architectural designs and detailed project plans.

We specialize in designing complex projects like water and wastewater treatment plants (WTP, WWTP, ST, ZLD), ensuring adherence to project specifications. Our expertise covers a wide range of design elements, including process descriptions, hydraulic calculations, and adherence to design codes.

With an in-house team of experienced engineers, we deliver detailed architectural and structural designs, minimizing reliance on external consultants. Our quality control managers conduct regular inspections and tests at project sites to ensure quality management.

2. Experienced Promoters and Management Team

Our promoters, Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina and Mr. Lalit Mohan Datta has more than 120+ years of combined experience in designing, procurement and Sales & Marketing of engineering, equipments & projects of water & wastewater treatment. Our Promoters have led the company with their vision. Our management team comprises experienced professionals and we believe that our management team's experience and their understanding of the industrial structures segment will enable us to continue to take advantage of both current and future market opportunities. Our senior management team is well qualified and experienced in the execution of Industrial Water Treatment, Wastewater/ Effluent Treatment, Sewage Treatment, Zero Liquid Discharge Project and has been responsible



for the growth of our business. We believe that our management team's experience and their understanding of the industrial structures segment will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent distributors, and fluctuations in prices.

3. Integrated Expertise and Robust Partnerships

Our Company has established a strong rapport with leading technology providers, industry consultants, equipment suppliers & EPC Contractors. With the advent of time Apex Ecotech has developed inhouse online systems managed by dedicated core teams headed by experienced and knowledgeable team leaders for marketing, process, electro-mechanical design, procurement, logistics, commercial, finance, site execution, aftersales & operations. Our Company has identified and been working with reliable and experienced vendors across the country for equipment & component sourcing, fabrication, automation, site execution and plant operations thus ensuring quality and timely delivery.

4. Track Record of Successful Projects

Our track record of successfully executing and delivering projects speaks for itself. Our ability to meet client expectations and achieve desired outcomes has been pivotal in building our reputation in the industry.

5. Geographical Presence

Our presence in multiple regions, including Punjab, Maharashtra, Andhra Pradesh, Rajasthan, West Bengal, Gujarat, Himachal Pradesh, Odisha, Karnataka, Uttar Pradesh, Uttarakhand, Dadra & Nagar Haveli And Daman & Diu, Jammu & Kashmir, Jharkhand, Delhi in India and Nigeria, Pakistan, Bangladesh, Ghana, Vietnam and Egypt from outside India provides us with a strategic advantage to tap into diverse markets and expand our business footprint.

6. Strong Client Relationships

Our commitment to timely project completion and unwavering focus on quality has fostered enduring partnerships with our clients. We have successfully delivered projects for a variety of esteemed clients, and are currently engaged in projects with several others.

BUSINESS STRATEGY

1. Developing and Maintaining Cost-Optimal Water and Wastewater Management Systems

Apex Ecotech has been consistently developing, implementing, and comprehensively operating and maintaining novice cost optimal systems with a view to insure and insulate the concerns in water and wastewater management in the below mentioned industry sectors thus allowing higher up times to the sector and making the system a true utility in all regards.

2. Strengthening Our Core Abilities through Recruitment, Retention, and Training of Skilled Personnel

We recognize that the success of our projects hinges on our team's ability to execute them efficiently. Quality, cost-effectiveness, and timely completion rely heavily on the skills and dedication of our employees. Given the growing competition for skilled workers in the Indian engineering and construction sector, we aim to



enhance our competitiveness by prioritizing employee training. We provide our engineering and technical staff with diverse learning opportunities, ensuring they stay updated on the latest systems, techniques, and knowledge.

3. Expansion of our geographical footprint.

We have completed numerous projects, spanning across various states in India such as Punjab, Maharashtra, Andhra Pradesh, Rajasthan, and others, as well as international locations like Nigeria, Pakistan, Bangladesh, Indonesia and more. We plan to expand our footprint in North-East, South India and international markets as well. Our strategy involves careful selection of new locations to ensure smooth operations and uninterrupted service delivery. By diversifying geographically, we aim to mitigate risks associated with operating in specific areas and safeguard against fluctuations in business.

4. Leveraging our market skills and relationship

The business of our Company is client oriented and always strives to maintain good relationship with the marketers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to clients. We aim to do this by leveraging our operations expertise as well as marketing skills and our industry relationships.

List of Key Executed Works:

| Sr. No. | Client Name | Industry | Project | Order Value (in Lakhs) | Order Date | Completion Date |
|---------|----------------------------------|-----------------------------|--------------------|------------------------|------------|-----------------|
| 1 | Honda Cars India Limited | Automobile & Auto Ancillary | ETP, ZLD | 1,451 | 01.01.2018 | 01.07.2020 |
| 2 | Ashok Leyland Limited | Automobile & Auto Ancillary | STP, ETP | 1,357 | 01.10.2018 | 01.05.2020 |
| 3 | Hindalco Industries Limited | Metals | ETP, ZLD | 824 | 01.08.2022 | 01.01.2024 |
| 4 | Lenskart Solutions Pvt. Ltd. | Optical & Healthcare | WTP, STP, ETP, ZLD | 638 | 01.02.2022 | 01.12.2023 |
| 5 | PepsiCo India Holdings Pvt. Ltd. | Food Processing & Beverages | WTP | 497 | 01.07.2023 | 01.05.2024 |
| 6 | Ana Oleo Private Limited | Edible Oil | WTP, STP, ETP | 815 | 01.10.2022 | 01.05.2024 |

BUSINESS PROCESS CYCLE:

We set out below the table explaining various steps involved in the life cycle of constructing and commissioning of projects:

| S. No. | Activity | Sources/ Action | Responsibility |
|---------------|---|---|----------------|
| Step 1 | Project Identification / Enquiry Generation | Existing clients–Expansion/New projects References-Existing installations / word of mouth Consultants / EPC companies’ Online registration with external agencies for Tenders Digital Marketing. | Project Sales |



| | | | |
|---------------|---|---|--|
| Step 2 | Client Interaction / Design & Specifications / Budgeting & Proposal Submission / Order Finalization | Collect relevant information regarding capacity, analysis reports, reuse applications, any specific requirements etc. Submission of Water Balance Diagram and arriving to final capacities. Analytical laboratory tests if required, as certain the most viable treatment scheme with design, costing of the proposed scheme Submission of techno/ commercial proposal Meetings and follow-up for favorable order culmination. | Project Sales /Design Team |
| Step 3 | Design / Manufacturing / Financial Planning Procurement / Dispatch | In house preparation of Piping & Instrumentation, Layout, Civil General Arrangements, Hydraulic, Pipeline, Cable Routing etc. drawings Bill of Materials are prepared for fabrication & procurement. Quality checks for workmanship & assembly are conducted at the vendors works regularly by Apex's personnel. The material is dispatched from the vendor / Apex's stores. | Project Sales /Design Procurement / Finance Team |
| Step 4 | Site Installation / Commissioning / Handing Over | Material is received at site by the Apex Project In-charge, unpacked & checked. The mechanical & electrical installation at site is out sourced under the supervision/ instruction of the Apex personnel. Periodic checks are conducted by senior personnel & after sales senior team to ensure proper and timely execution of project. The project is then commissioned by Apex personnel and the project is handed over to the client for operations. | Procurement/ After Sales Team |
| Step 5 | After Sales Service / Operation & Maintenance | Regular after sales services are provided by the Apex team for ensuring smooth operations. Apex also undertakes operation & Maintenance contracts on case-to-case basis. | Procurement/ After Sales Team |
| Step 6 | Commercial / Accounts | Registration and submission of timely statutory compliances, insurances and policies Submission of Bank Guarantees/LC etc. Invoicing /E Waybills / Payment Follow-up GRN /Accounts. | Finance & Administration |

PROCUREMENT

The Company operates as an Engineering, Procurement, and Construction/Commissioning (EPC) contractor, specializing in providing comprehensive EPC services. The materials essential for executing our projects are meticulously sourced and managed to ensure the highest quality and compliance with project specifications. Our centralized procurement team manages the acquisition of key raw materials and engineering essentials such as cement, steel, construction chemicals, pumps, blowers, diffusers, screens, chlorination/UV, sludge dewatering systems, various equipment and components along with chemicals and spares for water/sewage/effluent treatment, among other items. Procurement operations are conducted centrally from our offices in Pune, Gujarat and Delhi. We employ procurement managers who are well-versed in local material requirements and oversee these needs, providing personalized attention to each project. While we have not established long-term supply contracts with suppliers for major materials like steel, iron, cement, electrical and mechanical items, machinery, and pumps, we engage in bulk purchasing to maintain strong vendor relationships and ensure the timely availability and delivery of these essential raw materials.



UTILITIES & INFRASTRUCTURE FACILITIES

Power

We have arrangement for regular power supply at our office premises and project site(s). We meet our power requirements by sourcing and purchasing it from the electricity distribution channels. Generally, the client arranges the power supply for respective construction sites.

Water

Our registered and corporate office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premise. Water requirement for each of our project is fulfilled from the nearby local area and is generally arranged by the government authorities/bodies for which the water charges are deducted from the running bills issued by us.

Health, Safety and Environment

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to, inter alia, the maintenance of a safe workplace and providing the necessary training to employees at our workplace. We undertake induction training, emergency preparedness and job specific training of employees & contractors, in addition to the provision of protective equipment to ensure safety of equipment and manpower.

We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees at our project sites.

Information Technology

Our IT systems are vital to our business operations. We have a customised IT system of enterprise resource planning for our Company, which assists us in various business functions including materials management, inventory management, procurement planning, quality management, plant maintenance, finance and controlling, environment health and safety, and human resources. We use computer aided design and 3D tools for product design. We also use Microsoft Project software for project management and implementation. Further, we have also implemented human resource management systems for smooth functioning of our human resource functions. We have implemented multiple reporting systems, visual controls at different sites which support the day to day functions at our various sites. We consistently make efforts to maintain and upgrade our systems to suit our business requirements and improving efficiency in our operations.

Human Resources

As of the date of this DRHP, we have 118 full-time employees (including executive directors). We provide training to our employees both as a commitment to their career development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings.

Following is a department wise employee break-up:



| Function | Number of Employees |
|---|---------------------|
| Sales - (Proposal, Marketing & IT | 4 |
| Process Design, Engineering & Drafting | 5 |
| Procurement, Commercial, Inventory Management & Logistics | 5 |
| Project Management & After sales - (Erection, Commissioning, Services, O&M) | 86 |
| Accounts, Finance, HR, Compliance & Admin | 10 |
| Quality Control | 2 |
| Staff - Delivery Boy / Peon / Driver | 6 |
| Total | 118 |

Competition

Our competitive landscape is shaped by several factors, including project type, contract value, potential profit margins, complexity, project location, and revenue generation risks. While factors like service quality, technical expertise, track record, experience, health and safety standards, and access to skilled personnel are significant considerations for clients when evaluating competitors, price frequently emerges as the primary determinant in tender awards. We identify our main competitors as a mix of small and mid-sized companies, both listed and unlisted.

Key Indian participants in the water and wastewater treatment market are VA Tech Wabag, Ion Exchange India Ltd., Thermax India, Toshiba Water Solutions Private Limited, Aquatech System (Asia) Private Limited, Triveni Engineering & Industries Limited, and others.

ORDER BOOK

Our Order Book as on the date of this DRHP consists of contract value of unexecuted projects or uncompleted portions of our ongoing projects, i.e., the total contract value of ongoing projects as reduced by the value of construction work billed till the date of this DRHP.

(Amount in ₹)

| Client Name | Type | PO Value | PO Date | Completion Date | Invoiced Till Date | Balance Invoicing |
|---------------------------------------|------|--------------|-------------|-----------------|--------------------|-------------------|
| Bharatiyam Beverages Private Limited | WWTP | 7,60,00,000 | 10-Jul-2024 | 15-Dec-2024 | - | 7,60,00,000 |
| Haldiram Snacks Pvt. Ltd. | WWTP | 4,75,00,000 | 31-May-2024 | 15-Oct-2024 | - | 4,75,00,000 |
| Haldiram Snacks Pvt. Ltd. | WWTP | 2,99,02,395 | 4-Jun-2024 | 12-Oct-2024 | - | 2,99,02,395 |
| Haldiram Snacks Pvt. Ltd. | WWTP | 16,97,605 | 4-Jun-2024 | 12-Oct-2024 | - | 16,97,605 |
| Hindalco Industries Limited - Lapanga | ZLD | 14,00,00,000 | 16-Nov-2023 | 20-Sep-2024 | 2,59,20,000 | 11,40,80,000 |



| | | | | | | |
|--|----------------|---------------------|--|-------------|--------------------|---------------------|
| Hindalco Industries Limited - Pune | SERVICES | 12,60,000 | 28-Oct-2023 | 26-Aug-2024 | - | 12,60,000 |
| Jubilant Foodworks Limited | WWTP | 2,71,80,000 | 29-Mar-2024 | 30-Sep-2024 | - | 2,71,80,000 |
| Jupiter Aluminium Industries Private Limited | SERVICES | 27,00,000 | 13-Oct-2023 | 31-Oct-2024 | - | 27,00,000 |
| Kam Industries Nigeria Ltd. | WTP | 51,23,680 | 24-Aug-2023 | 19-Aug-2024 | - | 51,23,680 |
| Pepsico India Holdings Pvt. Ltd. | SERVICES - E&C | 14,32,498 | 21-July-2023 | 31-Aug-2024 | - | 14,32,498 |
| Pepsico India Holdings Pvt. Ltd. | WTP | 1,71,32,446 | 17-Jul-2024 | 31-Dec-2024 | - | 1,71,32,446 |
| Reckitt Benckiser India Pvt. Ltd. | ZLD | 16,45,00,000 | 23-Jan-2024 | 31-Dec-2024 | - | 16,45,00,000 |
| Operation & Maintenance Contracts | O&M | 81,42,198 | Multi Orders Generally will extend for the full year | - | 31,87,609 | 49,54,589 |
| Others | CHEM & SPARES | 35,18,910 | Multiple Orders | - | 35,18,910 | 0 |
| | | 52,60,89,732 | | | 3,26,26,519 | 49,34,63,213 |

EXPORT AND EXPORT OBLIGATIONS

Our Company doesn't have any export obligations as of this Draft Red Herring Prospectus.

INTELLECTUAL PROPERTIES

Following are the details of the Trademarks Registered in the name of our Company, in India:

| Sr. No. | Brand Name/Logo Trademark | Class | Trademark Type | Registration/ Application No. | Date of Application | Current Status |
|---------|---|-------|----------------|-------------------------------|---------------------|----------------|
| 1. |  | 40 | Device | 11034071 | 26.07.2024 | Applied |

DOMAIN NAME

| Domain Name | Registry Domain ID | Registrant Name | Creation Date | Registry Expiry Date |
|--|----------------------------|-----------------|---------------|----------------------|
| www.apexecotech.com | 1622288407_DOMAIN_COM-VRSN | eNOM, LLC | 26.10.2010 | 26.10.2027 |



DETAILS OF INDEBTEDNESS

The details of facilities availed from Banks are as follows. For more details of other indebtedness please refer “Restated Financials Statements” beginning from page 185 of Draft Red Herring Prospectus.

Corporate Social Responsibility

On July 18, 2024, our Company has adopted a CSR policy in compliance with the requirements of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

INSURANCE

Our operations are subject to various risks associated with our industry. We maintain insurance policies to insure our registered office from fire and other perils. We also maintain insurance policies for our vehicles. These insurance policies are reviewed periodically to ensure that the coverage is adequate. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such Insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of our insurance policies.

IMMOVABLE PROPERTY

The following are the details of owned and lease hold properties:

a) Owned properties:

| Sr. No. | Address of Property | Name of Seller | Date of Acquisition | Area (Sq. Mt) | Consideration ₹ in Lakhs | Use of the Property |
|---------|---|----------------|---------------------|---------------|--------------------------|---------------------|
| 1 | Plot No. 5, Central Park North Avenue B 20 th Lane, Vatika Infotech City, Village Thikaria, Tehsil Sanganer, Ajmer Road, Jaipur, Rajasthan | Anuj Dosajh | 27.03.2021 | 420 | 70.00 | Collateral purpose |

b) Leasehold properties:

| Sr. No. | Address of Property | Name of Lessor | Period of Lease | Area | Lease Rent ₹ in Lakhs | Use of the Property |
|---------|---|---------------------|---|--------|-----------------------|---------------------|
| 1 | Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra - 411017, India | Pankaj Ashok Surana | 60 months (Valid till August 31, 2026) | 817.00 | 0.38 | Registered Office |

| | | | | | | |
|---|--|-----------------------------|--|---------------------|------|--------|
| 2 | Ground Floor, Front Part Property No. B-15/292, Lane 02, Westend Marg, Saidulajab, New Delhi – 110030 | Amrita Chaudhary | 11 months (Valid till February 28, 2025) | 390.00 Sq. ft. | 0.15 | Godown |
| 3 | Ground Floor, All of the Property No. 2, Westend Marg, Saidulajab, New Delhi-110030 | Munni Devi | 11 months (Valid till December 31, 2024) | 715.00 Sq. ft. | 0.24 | Godown |
| 4 | Plot No.3, First Floor, 2 Westend Marg, Kehar Singh Estate, Behind Saket Metro Station, New Delhi-110030 | Satbir Yadav Tarun Yadav | 36 months (Valid till May 31, 2025) | 1800 Sq. ft. | 0.55 | Office |
| 5 | Office No. 154, A.P.M.C., Padra, Dist. Vadodara - 391 440, Gujarat | Dineshbhai Ramanbhai Patel | 11 months (Valid till May 31, 2025) | 200.00 | 0.04 | Office |
| 6 | Ground Floor, Ward No. 2, GAT No. 59, Milkat No. 0943, Chaimbali Phata Road, Chimbali, Pune-412105 | Jaid Sanjay Jagadu | 60 months (Valid till September 05, 2026) | 6,100.00 Sq. ft. | 0.55 | Godown |

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KEY INDUSTRY REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations applicable to the business and operations of our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see “Government and Other Statutory Approvals” on page 233.

The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions.

Industry Specific Regulations - Environment Laws

The Environment (Protection) Act, 1986 (“EPA”), Environment Protection Rules, 1986 (the “EP Rules”) and the Environmental Impact Assessment Notification, 2006 (“EIA Notification”)

The EPA has been enacted for the protection and improvement of the environment. EPA empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Further, the EP Rules specifies, inter alia, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EPA or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

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

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a central pollution control board and state pollution control boards. The functions of the central board include Coordination of activities of the state boards, collecting data relating to water pollution and measures for the prevention and control of water pollution and prescription of standards for streams or wells. The state pollution control boards are responsible for planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and reviewing of the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. If the required standards and conditions are not complied with, the relevant SPCB may serve a notice on the concerned person and cause the local magistrate to pass an injunction to restrain the activities of such person and impose fines.



The Water Pollution Act prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the state pollution control board. Under section 25 of the Water Pollution Act, the state board may give its consent for the establishment of the industry subject to conditions that it may impose and for a duration that it may specify. Having given consent, it can review its consent or the conditions imposed and revoke or alter any of them. Subject to the other provisions of the legislation, the state board may issue directions for the closure, prohibition or regulation of any industry.

The Water (Prevention and Control of Pollution) Cess Act, 1977

The Water Pollution Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries to augment the resources of the central pollution control board and state pollution control boards. The Water Pollution Cess Act also provides for a rebate to the extent of 25% of the cess payable, in favour of persons who, being liable to cess under the Water Pollution Cess Act, install any plant for the treatment of sewage or effluents. However this rebate is not applicable to persons consuming water in excess of the maximum prescribed quantity or who fail to comply with the provisions of section 25 of the Water Pollution Act or who fail to adhere to standards laid down by the Central Government under the Environment Act. Penalties for noncompliance include imprisonment of any person in contravention of the provisions of the Water Pollution Cess Act for a period up to six months specified or both.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Wastes Rules”)

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an “occupier”. In terms of the Hazardous Waste Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

The Public Liability Insurance Act, 1991 (“PLI Act”) & the Public Liability Insurance Rules, 1991

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The Rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution. The Act seeks to fulfil its objectives by enabling coordination of the activities of the various regulatory agencies concerned. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed.

The Air (Prevention and Control of Pollution) Act, 1981



The Air (Prevention and Control of Pollution) Act, 1981 [“Air Act”] aims at the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board before establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

Labour Laws

Certain other laws and regulations that may be applicable to the operations of our Company include:

- The Contract Labour (Regulation and Abolition) Act, 1970
- The Employees’ Compensation Act, 1923
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
- The Employees’ State Insurance Act, 1948
- The Child Labour and Adolescent (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961
- The Apprentices Act, 1961
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- The Equal Remuneration Act, 1976
- The Trade Unions Act, 1926
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Unorganised Workers Social Security Act, 2008

Code on Wages, 2019

The Code on Wages, 2019 amalgamates, simplifies and rationalises the relevant provisions of the following four central labour enactments relating to wages, namely, (a) The Payment of Wages Act, 1936; (b) The Minimum Wages Act, 1948; (c) The Payment of Bonus Act, 1965; and (d) The Equal Remuneration Act, 1976. It is an Act to amend and consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. The Code received the assent of the President of India on August 8, 2019 and is published in the official gazette. The Code applies to the covered employees and allows the Central Government to set a fixed floor wage taking into account minimum living standards of a worker. The Code will come into force on the date to be notified by the Government.

The Occupational Safety, Health and Working Conditions Code, 2020

Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and was published in the official gazette. The Act consolidates and amends the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment. The Code amalgamates, simplifies and rationalises the relevant provisions of the following thirteen Central labour enactments namely, 1. The Factories Act, 1948; 2. The Plantations Labour Act, 1951; 3. The Mines Act, 1952; 4. The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955; 5. The Working Journalists (Fixation of Rates of Wages) Act, 1958; 6. The Motor Transport Workers Act, 1961; 7. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966; 8. The Contract Labour (Regulation and Abolition) Act, 1970; 9. The Sales Promotion Employees (Condition of Service) Act, 1976; 10. The Inter-State Migrant workmen (Regulation of Employment and Conditions of Service) Act, 1979; 11. The Cine Workers and Cinema Theatre Workers Act, 1981; 12. The Dock Workers (Safety, Health and Welfare) Act, 1986; and 13. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Code extends to the whole of India and covers all employees. The Code will come into force on the date to be notified by the Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and was published in the official gazette. The objective of the Code is to amend and consolidate the laws relating to social security, with the primary goal to extend social security to all employees and workers. The Code on Social Security, 2020, amalgamates, simplifies and rationalises the relevant provisions of the following nine(9) central labour enactments relating to social security, namely, (i) The Employees' Compensation Act, 1923; (ii) The Employees' State Insurance Act, 1948; (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; (v) The Maternity Benefit Act, 1961; (vi) The Payment of Gratuity Act, 1972; (vii) The Cine Workers Welfare Fund Act, 1981; (viii) The Building and Other Construction Workers Welfare Cess Act, 1996; and (ix) The Unorganised Workers' Social Security Act, 2008. The Code will come into force on the date to be notified by the Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 is an Act to consolidate and amend the laws relating to Trade Unions, conditions of employment in an industrial establishment or undertaking, investigation and settlement of industrial disputes. The Industrial Relation Code 2020 amalgamates, simplifies and rationalises the relevant provisions of (a) the Trade Unions Act, 1926; (b) the Industrial Employment (Standing Orders) Act, 1946; and (c) the Industrial Disputes Act, 1947. The Code will come into force on the date to be notified by the Government.

Child and Adolescent Labour (Prohibition and Regulation) Act, 1986

The Child Labour Prohibition and Regulation Act, 1986 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. The Act regulates the conditions of work of adolescents.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The Act defines “Sexual Harassment” to include any unwelcome sexually determined behaviour (whether directly or by implication). “Workplace” under the 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 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 internal complaints committee has not been constituted.

Intellectual Property Laws

Intellectual Property in India enjoys protection under both common law and statute.

The Trade Marks Act, 1999

The Trademarks Act, 1999 (“Trademarks Act”) governs the statutory protection of trademarks and prevents the use of fraudulent marks in India. An application for registration of a trademark may be made by an individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademarks Act has been amended to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other



countries. The Trade Marks Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

The Copyright Act, 1957

The Copyright Act (“Act”) governs and deals with copyright protection in India. Under Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph film and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, such copyright registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once the copyright has been registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the copyrighted work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amount to an infringement of copyright.

The Patents Act, 1970

The Patents Act, 1970 (“Patents Act”) governs the registration and protection of patents in India. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

Foreign Exchange Regulations

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended (“FEMA”) and the FDI policy of the Government of India. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments.

Regulations Related to Foreign Trade

The foreign policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992 (the “Foreign Trade Act”). The Foreign Trade Act has empowered the Central Government to make provisions for the development as well as regulation of foreign trade by the way of facilitating imports into as well as augmenting exports from the country and in all the other matters related to foreign trade. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act provides for certain appointments especially that of the Director-General to advise the Central Government in formulating import and export policy and to implement the same. Further, the act commands every importer as well as exporter to obtain a code number called the Importer Exporter Code Number (IEC) from the Director-General or the authorized officer. The act provides the balancing of all the budgetary targets in terms of imports and exports. The principal objectives here include the facilitation of sustain growth as to the exports of the country, the distribution of quality goods and services to the domestic consumer at internationally competitive prices, stimulation of sustained economic growth by providing access to essential raw materials as well as enhancement of technological strength, industry as well as services and improvement of their competitiveness to meet all kinds of requirement of the global markets.



Laws in relation to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- a) Income Tax Act 1961, and the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- b) Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
- c) The Integrated Goods and Service Tax Act, 2017; and
- d) State-wise professional tax legislations.

Income Tax Act, 1961

The Income Tax Act, 1961 (“IT Act”) is applicable to every domestic/ foreign company whose income is taxable under the provisions of the IT Act or the rules made under it, depending upon the status of its registration and the type of income involved. The IT Act provides for taxation of a person resident in India on their income and person not resident in India, on their income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof.

Goods and Services Tax Act, 2017

Goods and Services Tax Act, 2017 (“GST”) is an indirect tax applicable throughout India which has replaced multiple cascading taxes levied by the Central and State Governments. The application of GST is governed primarily by the Central Goods and Services Tax Act, 2017; the Integrated Goods and Services Tax Act, 2017. The Parliament has the exclusive power to levy integrated GST (IGST) on Inter-State trade or commerce (including imports) in goods or services. GST is governed by a GST Council, with its Chairman being the Finance Minister of India.

General Laws

Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

Competition Act, 2002

The Competition Act, 2002 aims to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of the consumers and to ensure freedom of trade in India. The Competition Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The Act establishes the Competition Commission of India (“Commission”).

The prima facie duty of the Commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 occupies the most important place in Commercial Law. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honored and that legal remedies are made available to those who are affected due to violation of such rights and obligations.



Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence.

The Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881 ("NI Act"). The NI Act provides effective legal provision to restrain persons from issuing cheques without having sufficient funds in their account and 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 NI 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.

The Registration Act, 1908

The Registration Act, 1908 was introduced to provide for the public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

The Bureau of Indian Standards Act, 2016 and BIS Rules 2018

The Bureau of Indian Standards Act, 2016 (the "BIS Act") establishes the Bureau of Indian Standards as the National Standards Body of India, with an aim to bring more services, products and processes under the mandatory standardized regime. The BIS Act seeks to bring about a compulsory certification for all products covered under its ambit, while also containing enabling provisions to implement mandatory hallmarking of precious metal articles. The BIS Act further strengthens penal provisions for better and effective compliance, while laying down provisions for compounding of offences for repeated or multiple violations. The BIS Act provides for the establishment of Bureau for the harmonious development of the activities of standardisation, marking and quality assurance of goods, articles, processes, system, services and for matters connected therewith or incidental thereto.

Maharashtra Shops and Establishments Act, 1948 ("Shops and Establishments Act")

Under the provisions of the Shops and Establishments Act, applicable in the state of Maharashtra, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments and provide for fixation of working hours, rest intervals, leave, termination of service, and other rights and obligations of the employers and employees.

Delhi Shops and Establishments (Regulation of Employment and Condition of Service) Act 2017 ("Shops and Establishments Act")

Under the provisions of the Shops and Establishments Act, applicable in the state of Delhi, establishments are required to be registered. The Shops and Establishments Act regulates 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. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the Shops and Establishments Act.



OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as Apex Ecotech Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 01, 2009, in Maharashtra- Pune. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024 and the name of our Company was changed from “Apex Ecotech Private Limited” to “Apex Ecotech Limited” vide a fresh Certificate of Incorporation dated July 02, 2024 having CIN U29299PN2009PLC133737 issued by the Registrar of Companies, Central Processing Centre. The registered office of our company is situated at Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017, India.

Initial subscribers to the Memorandum of Association of our Company

1. Mr. Anuj Dosajh
2. Mr. Ajay Raina
3. Mr. Shivakumar Aiyer
4. Mr. Ramakrishnan Balasundaram Aiyer

Current promoter of our Company

1. Mr. Anuj Dosajh
2. Mr. Ajay Raina
3. Mr. Ramakrishnan Balasundaram Aiyer
4. Mr. Lalit Mohan Datta

For a description of our activities, services, products, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our services, management, environmental issues, regional geographical segment etc., see “Our Business”, “Industry Overview” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Government and Other Statutory Approvals” on page 122, 106, 211, and 233 respectively. For details of the management of our Company and its managerial competence, see “Our Management” on page 156.

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of the Draft Red Herring Prospectus.

| From | To | Effective Date | Reason for Change |
|--|--|------------------|----------------------------|
| 53, Gitanjali Kunj, 7 Dr. Ambedkar Road, Opp. Nehru Memorial Hall, Pune-411001, Maharashtra, India | Plot No. 15, Sector No. 2, Indrayani Nagar, Bhosar, Pune-411026, Maharashtra, India | July 03, 2010 | Administrative convenience |
| Plot No. 15, Sector No. 2, Indrayani Nagar, Bhosar, Pune-411026, Maharashtra, India | Plot No. S-72/1, "S" Block, Pimpri Industrial Area, Village Bhosari Pimpri, Pune- 411026, Maharashtra, India | October 23, 2013 | Administrative convenience |
| Plot No. S-72/1, "S" Block, Pimpri Industrial Area, Village | B-201, Divya Heights, Rahatani, S No. 5, Jagtap Dairy Road, Pune-411017, Maharashtra, India | October 11, 2021 | Administrative convenience |



| | | | |
|---|---|---------------|----------------------------|
| Bhosari Pimpri, Pune- 411026, Maharashtra, India | | | |
| B-201, Divya Heights, Rahatani, S No. 5, Jagtap Dairy Road, Pune-411017, Maharashtra, India | Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017, India. | July 06, 2024 | Administrative convenience |

OUR MAIN OBJECTS

The main object(s) of our Company, as contained in our Memorandum of Association, are as set forth below:

- To manufacture devices, systems, equipments, appliances, components. instruments, machineries, plants, process systems, tools, accessories, chemicals and other articles or things required for the water purification industry and support industries. forward and backward integrated industries, specifically the purification of water and wastewater, disinfectants as also deal in integrated water purification technologies and in connection therewith to render advice on planning, development, research, design, plant operation, to make feasibility studies, assist in acquisition of plant and machinery, to provide for procurement construction and to render such other services as are usually rendered by consultants for and in connection with the management and treatment of water and waste water for trade and industry and/or other non-industrial purposes.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

| Year | Event |
|------|--|
| 2012 | Successfully commissioned our 1st Zero Liquid Discharge Plant in Pharma sector |
| 2015 | Successfully commissioned our 1st Zero Liquid Discharge Plant in Automobile sector |
| 2016 | Developed inhouse electrocoagulation system based on low sacrificial electrodes to treat complex effluents |
| 2017 | Successfully commissioned our 1st Mil Scale Filtration Plant outside India in Steel sector |
| 2018 | Received our first ₹ 100 million order |
| 2019 | Received MBR Champions award from Suez Water Technologies & Solutions (India), MBR is Membrane Bio Reactor, an advanced sewage & wastewater treatment solution |
| 2020 | Successfully commissioned state of art EDR technology on wastewater for the 1st time in India |
| 2023 | Successfully commissioned our 1st Mechanical Vapor Recompression (MVR) technology based Evaporator system |
| 2024 | Received Global Ecological Transformation Award in Shanghai China from Veolia Water Technologies (Leading water & wastewater fortune 500 company) |

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

| Date of Shareholder's Approval | Amendment |
|--------------------------------|-----------|
|--------------------------------|-----------|



| | |
|--------------------|--|
| December 01, 2009 | The Initial Authorized Share Capital of ₹ 10,00,000 (Rupees Ten Lakh only) consisting of 1,00,000 Equity shares of face value of ₹ 10/- each was increased to ₹ 1,00,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity Shares of face value of ₹10/- each. |
| September 30, 2016 | The Authorized Share Capital of ₹ 1,00,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity Shares of face value of ₹ 10/- each was increased to ₹ 1,50,00,000 (Rupees One Crore and Fifty Lakhs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each. |
| January 17, 2024 | The Authorized Share Capital of ₹ 1,50,00,000 (Rupees One Crore and Fifty Lakhs only) consisting of 15,00,000 Equity Shares of face value of ₹ 10/- each was increased to ₹ 15,00,00,000 (Rupees Fifteen Crore only) consisting of 1,50,00,000 Equity Shares of face value of ₹ 10/- each. |
| March 26, 2024 | The conversion of the company to public limited company and fresh certificate of incorporation was issued in the name and style of “APEX ECOTECH LIMITED” on July 02, 2024. |

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated January 17, 2024.

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of this Draft Red Herring Prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no subsidiary company as on the date of filing of this Draft Red Herring Prospectus

ASSOCIATE COMPANIES

Our Company does not have any associate Companies as on the date of filing of this Draft Red Herring Prospectus.

For detail information about the profile, business, financials, please see the chapter “Our Group Companies” beginning on page 182.

DETAILS OF MERGERS AND ACQUISITIONS

There has been no merger or acquisitions of businesses or undertakings in the history of the Company.

JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this Draft Red Herring Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

Except as stated in the section titled “Outstanding Litigation and Material Developments” on page 223 there are no injunctions or restraining orders against our Company or Associate Companies.



TIME/ COST OVERRUN

There has been no material time and cost overruns in the Company as on date of this Draft Red Herring Prospectus.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activities of Our Company during the last five years. For details in relation to our activities, refer to section titled “Our Business” beginning on page 122.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please refer to the chapter titled "Our Business" beginning on page 122.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 185.

EXCLUSIVE AGREEMENT

As on date of this Draft Red Herring Prospectus, Our Company has not entered into an exclusive agreement.

NON-COMPETE AGREEMENT

Our Company has not entered any Non- compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholder’s agreement as on date of filing of this Draft Red Herring Prospectus.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

For details in relation to Restrictive Covenants in Loan Agreements, please see the chapters “Financial Indebtedness” beginning on page 221.

UNSECURED LOANS

For details in relation to unsecured loans, please see the chapters “Financial Indebtedness” beginning on page 221.



STRATEGIC/ FINANCIAL PARTNERS

Our Company has no strategic and financial partners as on the date of filing of this Draft Red Herring Prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from Banks into equity shares as on the date of filing of this Draft Red Herring Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY

For details in relation to our capital raising activities through Equity, please see the chapters “Capital Structure” beginning on page 70.

STRIKE AND LOCK-OUTS

We have not faced any strikes or lock-outs in our operations since our incorporation.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “Our Management” on page 156.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has 10 shareholders on 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 70.

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OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consist of 7 (Seven) Directors out of which 3 (Three) are Executive Directors and 4 (Four) are Non-Executive Independent Director.

| | | |
|---------------------------------|---|--------------------------------|
| Anuj Dosajh | - | Chairman and Managing Director |
| Ramakrishnan Balasundaram Aiyer | - | Executive Director |
| Ajay Raina | - | Executive Director |
| Rajiv Mathur | - | Independent Director |
| Satya Jagannathan | - | Independent Director |
| Ashutosh Anilkumar Vadanagekar | - | Independent Director |
| Neeraj Bhagat | - | Independent Director |

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Particulars | Details |
|---------|----------------------------|---|
| 1. | Name | Anuj Dosajh |
| | Father's Name | Late Shri Rabinder Nath Dosajh |
| | Address | C-41, Golf View Apartments, MIG Flats, Saket, Delhi- 110017 |
| | Date of Birth | December 11, 1963 |
| | Age | 60 years |
| | Designation | Chairman and Managing Director |
| | Status | Executive Director |
| | DIN | 00119225 |
| | Occupation | Business |
| | Nationality | Indian |
| | Qualification | Bachelor of Engineering in Chemical from M. S. Ramaiah Institute of Technology, Bangalore, in the year 1987. |
| | No. of Years of Experience | 36 years |
| | Current Terms | Appointed for 5 years w.e.f. March 18, 2024, not liable to retire by rotation. |
| | Period of Directorship | Director since Incorporation, i.e., April 01, 2009 |
| | Other Directorship | <p>India Private Companies:</p> <ul style="list-style-type: none"> Oakens Engineering Services Private Limited Flagmo EA Technologies Private Limited <p>India Public Companies: Nil</p> <p>Section 8 Companies: Nil</p> |

| | | |
|--------------------|---|--|
| | | Indian LLPs: Nil |
| 2 | Name | Ramakrishnan Balasundaram Aiyer |
| | Father's Name | Mr. Balasundaram Krishnnaswamy Aiyer |
| | Address | Jagatap Dairy Road, Divya Heights, Flat No. B-201, Rahatani, Pune, Maharashtra- 411017 |
| | Date of Birth | February 04, 1976 |
| | Age | 48 years |
| | Designation | Director |
| | Status | Executive |
| | DIN | 02321328 |
| | Occupation | Business |
| | Nationality | Indian |
| | Qualification | Bachelor of Engineering, Mechanical from University of Pune in the year 2000. MBA from Sikkim Manipal University in the year 2012. |
| | No. of Years of Experience | 24 years |
| | Current Terms | Appointed as an Executive Director w.e.f. April 01, 2009, Further there is change in terms of appointment w.e.f July 06, 2024. |
| | Period of Directorship | Director since Incorporation, i.e., April 01, 2009 |
| Other Directorship | India Private Companies: Nil India Public Companies: Nil Section 8 Companies: Nil Indian LLPs: Nil | |
| 3. | Name | Ajay Raina |
| | Father's Name | Mr. Kakajee Raina |
| | Address | ATS Tourmaline Flat No. 3041, Sector 109, Near Sobha International City, Bajghera, Gurgaon, Haryana- 122017 |
| | Date of Birth | September 05, 1980 |
| | Age | 43 Years |
| | Designation | Director |
| | Status | Executive |
| | DIN | 02042979 |
| | Occupation | Business |
| | Nationality | Indian |
| | Qualification | Bachelor of Engineering (Mechanical) in 2006 from Jamia Milia Islamia, Delhi |
| | No. of Years of Experience | 21 years |

| | | |
|---|----------------------------|--|
| | Current Terms | Appointed as an Executive Director w.e.f. April 01, 2009, Further there is change in terms of appointment w.e.f July 06, 2024. |
| | Period of Directorship | Director since Incorporation, i.e., April 01, 2009 |
| | Other Directorship | <p>India Private Companies: Nil</p> <p>India Public Companies: Nil</p> <p>Section 8 Companies: Nil</p> <p>Indian LLPs: Nil</p> |
| 4 | Name | Rajiv Mathur |
| | Father's Name | Mr. Narain Behari Mathur |
| | Address | 1543, Sector A, Pocket B and C, Vasant Kunj S.O., Delhi-110070 |
| | Date of Birth | August 28, 1959 |
| | Age | 64 Years |
| | Designation | Independent Director |
| | Status | Non-Executive |
| | DIN | 06931798 |
| | Occupation | Professional |
| | Nationality | Indian |
| | Qualification | Fellow member of The Institute of Company Secretaries of India, M. Com, Bachelor of Laws from Law Faculty, University of Delhi. |
| | No. of Years of Experience | 40 years |
| | Current Terms | Appointed for 3 years w.e.f. February 10, 2024, not liable to retire by rotation. |
| | Period of Directorship | Director since February 10, 2024 |
| | Other Directorship | <p>India Private Companies: Preethi Kitchen Appliances Private Limited Ahlcon Parenterals (India) Limited</p> <p>India Public Companies: Nil</p> <p>Section 8 Companies: Nil</p> <p>Indian LLPs: Nil</p> |
| 5 | Name | Satya Jagannathan |
| | Father's Name | Mr. K S Jagannathan |
| | Address | 302, Balaji Co-op. Housing Society, Plot No. 11/1, Sector- 15, Nerul, Navi Mumbai, Thane, Maharashtra- 400706 |
| | Date of Birth | August 20, 1963 |

| | | |
|---|----------------------------|--|
| | Age | 60 Years |
| | Designation | Independent Director |
| | Status | Non-Executive |
| | DIN | 10531979 |
| | Occupation | Professional |
| | Nationality | Indian |
| | Qualification | Bachelor of Commerce (Honours Course) from Delhi University in year 1984. |
| | No. of Years of Experience | 35 years |
| | Current Terms | Appointed for 3 years w.e.f. March 02, 2024, not liable to retire by rotation. |
| | Period of Directorship | Director since March 02, 2024 |
| | Other Directorship | India Private Companies: Nil India Public Companies: Nil Section 8 Companies: Nil Indian LLPs: Nil |
| 6 | Name | Ashutosh Anilkumar Vadanagekar |
| | Father's Name | Mr. A R Vadanagekar |
| | Address | D-12, Samarthnagar, Sinhagad Road, Narhe- Navale Bridge, Wadgaon Budruk, Pune, Maharashtra- 411041 |
| | Date of Birth | April 09, 1976 |
| | Age | 48 Years |
| | Designation | Independent Director |
| | Status | Non-Executive |
| | DIN | 06754078 |
| | Occupation | Professional |
| | Nationality | Indian |
| | Qualification | Master of Business Administration (MBA) from The ICFAI University, Dehradun in the year 2007. |
| | No. of Years of Experience | 24 years |
| | Current Terms | Appointed for 3 years w.e.f. February 10, 2024, not liable to retire by rotation. |
| | Period of Directorship | Director since February 10, 2024 |
| | Other Directorship | India Private Companies: Aara Industry Solutions Private Limited India Public Companies: Nil Section 8 Companies: Nil Indian LLPs: Efficacy Solutions LLP |



| | | |
|--------------------|---|---|
| 7 | Name | Neeraj Bhagat |
| | Father's Name | Mr. Roshan Naina Ram Bhagat |
| | Address | 2032, Sector B-2, Vasant Kunj, Delhi- 110070 |
| | Date of Birth | July 10, 1965 |
| | Age | 59 years |
| | Designation | Independent Director |
| | Status | Non-Executive |
| | DIN | 00297606 |
| | Occupation | Professional |
| | Nationality | Indian |
| | Qualification | Bachelor of Engineering in Civil from M. S. Ramaiah Institute of Technology, Bangalore, in the year 1987. |
| | No. of Years of Experience | 35 years |
| | Current Terms | Appointed for 3 years w.e.f. February 10, 2024, not liable to retire by rotation. |
| | Period of Directorship | Director since February 10, 2024 |
| Other Directorship | <p>India Private Companies: Survi Projects Private Limited</p> <p>India Public Companies: Incredible Housing Developers Limited</p> <p>Section 8 Companies: Nil</p> <p>Indian LLPs: Nil</p> | |

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

Anuj Dosajh, aged 60 years, is the Promoter and the Chairman cum Managing Director of the Company. He is a founding member of the Company and was appointed as Director since the incorporation of the Company. He is a Chemical Engineer having more than 36 years of experience in establishing water & wastewater projects in myriad industries & commercial establishments. Prior to starting Apex Ecotech in 2009, Anuj worked in Thermax Limited from 1988-94, subsequently became their associate / dealer in Delhi / NCR region responsible for sales & service of their products primarily steam boilers, water & wastewater treatment products etc. till 2008. Presently he manages procurement, project management, accounts, finance, administration & legal functions and is actively involved in assisting other directors & senior colleagues on a daily basis for effective company operations focussed towards continual improvement and on time overall deliverance.

Ramakrishnan Balasundaram Aiyer, aged 48 years, is the Promoter and Executive Director of our Company. He is a founding member of the Company and was appointed as Director since the incorporation of the Company. He completed his Mechanical Engineer from University of Pune in the year 2000 and MBA (Finance) from Sikkim Manipal University in the year 2012. He has more than 24 years of experience in Design, Procurement, Sales & Marketing of engineering equipment & projects in the field of water & wastewater treatment & technologies. Prior to starting Apex Ecotech in 2009, he worked in Thermax Ltd. from 1994–2006, thereafter he



started his own enterprise 'Pure & Pristine' in Hyderabad from 2006-09 focusing on providing water & wastewater treatment solutions to various industries. Ramesh possesses vast knowledge in process design, application engineering, technical knowhow etc. and is primarily responsible for research, innovation, design, engineering and commissioning of projects in the company.

Ajay Raina, aged 43 years, is the Promoter and Executive Director of the Company. He is a founding member of the Company and was appointed as Director since the incorporation of the Company. He completed his Bachelor of Engineering in Mechanical from Jamia Milia Islamia, Delhi in the year 2006 and has more than 21 years of experience in Sales & Marketing of engineering equipment & projects in the field of water & wastewater. Prior to starting Apex Ecotech in 2009, Ajay worked with an associate of Thermax Ltd. from 2000–2007 and had a stint in Pentair. Ajay's perseverance, diligence, awareness towards client's requirement, technical proficiency, expertise in strategic business development & digital marketing has enabled him to ensure sustained growth of the company and is largely responsible for web management and all domestic & international sales & marketing in the company.

Mr. Rajiv Mathur, aged 64 years, is the Non-Executive Independent Director of the Company. He is fellow member of The Institute of Company Secretaries of India and has completed Bachelor of Laws from Law Faculty, University of Delhi. He has over 40 years of experience in the areas of expertise are Legal, Compliance, Company Secretarial, IPOs, Private Financing, Debt/Equity Finance, Institutional Finance, Joint Ventures, Corporate & Regulatory, Restructuring, Mergers & Amalgamations.

In the year 2016, Rajiv was nominated amongst the top 100 Corporate Counsels in India.

Till year 2021, Mr. Rajiv was an Executive Director on the Board of Philips India Limited. His responsibilities included Legal, Compliances, M&As, Shareholder Servicing among others.

In his earlier roles, Mr. Rajiv worked with Max Life Insurance Co. Ltd. (Director - Legal, Compliance), New Delhi Television Limited (NDTV) as Head of Legal & Company Secretary, Gillette India Limited as Company Secretary and LNJ Bhilwara Group as Head of Legal and Group Company Secretary.

Satya Jagannathan, aged 60 years, is the Non-Executive Independent Director of the Company. She has a rich banking experience in various leadership roles with expertise in the areas of Banking Operations, Customer Service, Compliance, Internal controls and off-site surveillance over the past 35 years. Her experience spans around PSU, Pvt Banks & Foreign Banks viz. PNB, IndusInd Bank, ICICI Bank, RBL Bank and DBS Bank India Ltd. She joined as Management Trainee / Probationary officer at PNB, thereafter had a stint at ICICI Bank as Deputy General Manager and was part of two large Banks Mergers and Demonetization across Branches. At IndusInd Bank, she was Vice President & Head of Banking Operations and handled the role of Principal Nodal Officer (PNO) and Money Laundering Reporting Officer (MLRO). At RBL Bank she was Executive Vice President and National Head – Branch Operations. At DBS Bank India Ltd., she is the Internal Ombudsman (IO). IO is positioned as an independent apex level authority on consumer grievance redressals within the Bank. She graduated from the prestigious Shriram College of Commerce, University of Delhi in 1984.

Mr. Ashutosh Anilkumar Vadanagekar, aged 48 years, is the Non-Executive Independent Director of our Company. He has completed Master of Business Administration (MBA) from The ICFAI University, Dehradun in the year 2007. He has 24 years of hands-on experience of design in the field of Water, Waste Water, ZLD & Evaporation Technologies. Currently he is the managing partner in Amalgam Engineering, Pune involved in the business of formulating, manufacturing and sales of customised BactaServe Brand Bioculture & Industrial Odour Control Solutions in India and Overseas and provides consultancy to myriad industries in the related field.



Neeraj Bhagat, aged 59 years, is the Non-Executive Independent Director of the Company. He is a Civil Engineering seeking challenging opportunities to leverage expertise in construction, entrepreneurship, and project management. Dedicated to driving innovation and delivering exceptional results in the consumer products, manufacturing, and construction industries.

Neeraj is the Managing Director of Survi Projects Pvt. Ltd. having a work experience of 35 years and has spearheaded successful completion of diverse projects encompassing industrial, residential, and commercial establishments. He has established and maintained relationships with prestigious clients including Nestle, Baxter, Posco, Honda, LG, Samsung, Amrita Hospital, Mahindra and Mahindra, Shiv Nadar School, Aditya Birla Group, Godrej Properties, and the Nuclear Power Corporation. His company has pioneered precast prestressed construction technology in Northern India, setting up a plant for precast, prestressed concrete structures. He has led end-to-end project management, covering civil, mechanical, and PHE aspects to ensure seamless execution and client satisfaction and implemented innovative solutions to enhance efficiency and quality in construction processes.

His company has managed large-scale industrial projects, ensuring adherence to timelines, budgets, and safety standards. He has founded and managed successful ventures in consumer products like fan manufacturing industries. Furthermore, he has also conceptualized and executed niche residential projects, garnering recognition and awards for excellence in design and construction.

Note:

As on the date of the Draft Red Herring Prospectus:

- 1) *None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.*
- 2) *None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.*
- 3) *None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*
- 4) *None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus.*
- 5) *None of Promoters or Directors of our Company are a fugitive economic offender.*
- 6) *None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.*
- 7) *In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.*



FAMILY RELATIONSHIP BETWEEN DIRECTORS

None of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013.

ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

APPOINTMENT TERMS, COMPENSATION AND BENEFITS TO THE EXECUTIVE DIRECTORS ARE AS FOLLOWS: -

| | |
|--------------|--|
| Name | Mr. Anuj Dosajh |
| Designation | Chairman and Managing Director |
| Period | Appointed for 5 years w.e.f. March 18, 2024, not liable to retire by rotation. |
| Remuneration | ₹ 2,70,113/- per month |
| Perquisite | Nil |

| | |
|--------------|--|
| Name | Mr. Ramakrishnan Balasundaram Aiyer |
| Designation | Executive Director |
| Period | Appointed as an Executive Director w.e.f. April 01, 2009, further there is change in terms of appointment w.e.f July 06, 2024. |
| Remuneration | ₹ 2,70,113/- per month |
| Perquisite | Nil |

| | |
|--------------|--|
| Name | Mr. Ajay Raina |
| Designation | Executive Director |
| Period | Appointed as an Executive Director w.e.f. April 01, 2009, further there is change in terms of appointment w.e.f July 06, 2024. |
| Remuneration | ₹ 1,87,425/- per month |
| Perquisite | Nil |

TERMS AND CONDITIONS FOR NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

Our Company will not pay any remuneration to the Non-Executive and Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Pursuant to the resolution passed by the Board of Directors of our Company on February 10, 2024, the Independent Directors of our Company would be entitled to a sitting fee of ₹ 3,000/- for every meeting of the Board of Directors and Committees of the Board attended by them.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

The shareholding of our directors as on the date of this Draft Red Herring Prospectus is as follows:



| Sl. No. | Name of the Directors | No. of Equity Shares held | Category/ Status |
|---------|---------------------------------|---------------------------|----------------------|
| 1. | Anuj Dosajh | 27,59,070 | Managing Director |
| 2. | Ramakrishnan Balasundaram Aiyer | 27,59,070 | Executive Director |
| 3. | Ajay Raina | 18,08,530 | Executive Director |
| 4. | Rajiv Mathur | Nil | Independent Director |
| 5. | Satya Jagannathan | Nil | Independent Director |
| 6. | Ashutosh Anilkumar Vadanagekar | Nil | Independent Director |
| 7. | Neeraj Bhagat | Nil | Independent Director |

INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of Our Company

Except Promoters, none of our Directors have any interest in the promotion of our Company.

Interest in the property of Our Company

Except as stated/referred to in the heading titled “Immovable Property” beginning on page 142. Our directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors also do not have any interest in any



transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of Our Company

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “*Financial Statements*” beginning on page number 185 of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

DETAILS OF SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

There is no bonus or profit-sharing plan for the Directors of our Company.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

No Director has received or is entitled to any contingent or deferred compensation.

OTHER INDIRECT INTEREST

Except as stated in chapter titled “*Financial Statements*” beginning on page 185 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

BORROWING POWER OF THE BOARD

In terms of the special resolution passed in the Extra Ordinary General Meeting of our Company held on March 26, 2024, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 5,000/- lakhs.



CHANGES IN THE BOARD OF DIRECTORS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

| Name of the Director | Date of Appointment / Change in designation / Resignation | Reason for Change |
|------------------------------------|---|-----------------------------------|
| Mr. Rajiv Mathur | 10/02/2024 | Appointed as Independent Director |
| Mr. Ashutosh Anilkumar Vadanagekar | 10/02/2024 | Appointed as Independent Director |
| Mr. Neeraj Bhagat | 10/02/2024 | Appointed as Independent Director |
| Ms. Satya Jagannathan | 02/03/2024 | Appointed as Independent Director |
| Mr. Anuj Dosajh | 18/03/2024 | Appointed as Managing Director |
| Mr. Lalit Mohan Datta | 31/03/2024 | Resignation as Director |

CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated July 06, 2024 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|---------------------------------------|------------------------------|--------------------------------------|
| Ms. Satya Jagannathan | Chairperson | Non- Executive, Independent Director |
| Mr. Rajiv Mathur | Member | Non- Executive, Independent Director |
| Mr. Ramakrishnan Balasundram Aiyer | Member | Executive Director |

The Audit Committee shall vested with the following roles and responsibilities and powers:

- 1.Overseeing the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2.Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3.Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4.Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s)in the draft audit report.
- 5.Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
- 6.Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7.Reviewing and monitoring the auditor’s independence and performance and effectiveness of audit process.
- 8.Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- 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. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors on any significant findings and follow up thereon.
15. 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.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
21. Implementation of Indian Accounting Standards as and when they become(s) applicable to the Company.
22. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
24. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.



4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

5. Statement of deviations:

a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least four times in a year. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on July 06, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|------------------------------------|------------------------------|--------------------------------------|
| Mr. Neeraj Bhagat | Chairperson | Non- Executive, Independent Director |
| Mr. Ashutosh Anilkumar Vadanagekar | Member | Non- Executive, Independent Director |
| Ms. Satya Jagannathan | Member | Non- Executive, Independent Director |



The Nomination and Remuneration Committee shall be vested with the following roles and responsibilities and powers:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
2. For every appointment of an independent director, 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 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 an 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. To formulate criteria for evaluation of performance of independent directors and the board of directors
4. Ensure that our Company has in place a programme for the effective induction of new directors;
5. Recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
6. Authorized at its duly convened meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
7. Review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
8. Implement, supervise and administer any share or stock option scheme of our Company;
9. Recommend to the board, all remuneration, in whatever form, payable to senior management; and
10. Attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Nomination and Remuneration Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Nomination and Remuneration Committee.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed by the Board of Directors at the meeting held on July 06, 2024. As on the date of this Draft Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

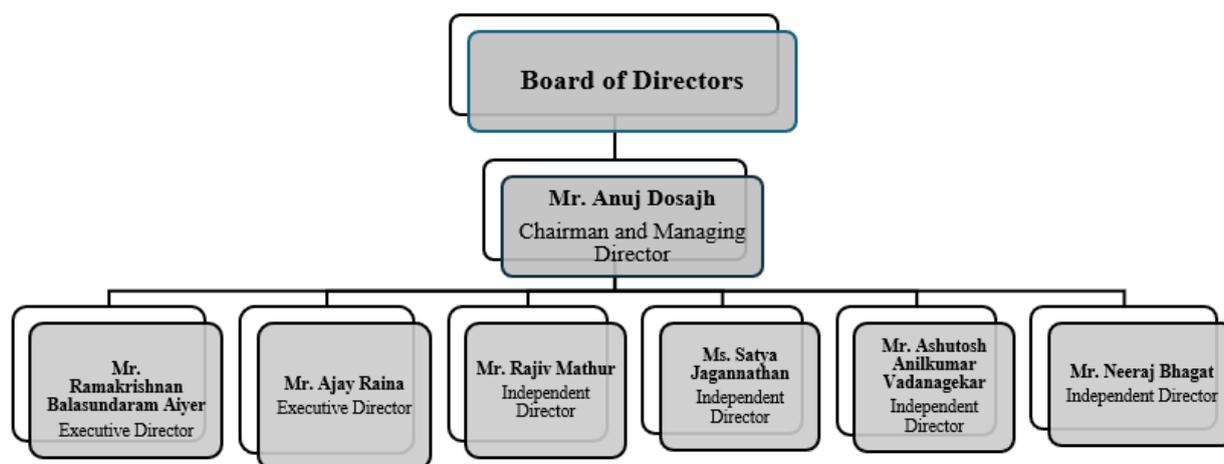
| Name of the Director | Designation in the Committee | Nature of Directorship |
|------------------------------------|------------------------------|-------------------------------------|
| Mr. Ashutosh Anilkumar Vadanagekar | Chairperson | Non-Executive, Independent Director |
| Ms. Satya Jagannathan | Member | Non-Executive, Independent Director |
| Mr. Ajay Raina | Member | Executive Director |

The Stakeholders' Relationship Committee shall vested with the following roles and responsibilities and powers:

1. To resolve the grievances of the security holders of the company 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. To review of measures taken for effective exercise of voting rights by shareholders.
3. To review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To 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.

The Stakeholder Relationship Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Stakeholder Relationship Committee whichever is greater, but there should be a minimum of two independent members present.

MANAGEMENT ORGANISATION STRUCTURE



Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Stakeholder Relationship Committee.



OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel other than executive director of our Company are as follows:

| Name, Designation and Date of Joining | | Qualification | Previous Employment | Remuneration paid in F.Y. 2023-24 (₹ in Lakhs) |
|---------------------------------------|--|--|----------------------|---|
| Name | Mr. Rakesh Kaul | He has completed Post Graduate Diploma in Business Administration from Institute of Management Sciences and Productivity Research, Delhi in the year 1996. | Sanali Group (Dubai) | 0.90 (Appointed CFO w.e.f. March 02, 2024) |
| Designation | CFO | | | |
| Date of Appointment | Appointed in the board meeting dated March 02, 2024. | | | |
| Overall Experience | He has almost 22 years of diverse experience in Accounting, Budgeting, Costing, CRM & MIS. | | | |

| | | | | |
|----------------------------|--|--|---|-----|
| Name | Ms. Kirti Jain | She is an associate Member of Institute Company Secretaries of India. She is also Post Graduate in Commerce and Law Graduate | Vasu Infrastructure Private Limited till 31 st March 2024. | Nil |
| Designation | Company Secretary and Compliance Officer | | | |
| Date of Appointment | Appointed in the board meeting dated March 18, 2024, w.e.f. April 03, 2024 | | | |
| Overall Experience | She possesses nearly four years of industry experience in compliance management, with expertise in various corporate laws, listing agreements, and capital markets transactions. | | | |

Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

FAMILY RELATIONSHIP BETWEEN KMP

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.



CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except below mentioned, none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

| Sl. No. | Name of Persons | No. of Shares |
|---------|-----------------|---------------|
| 1. | Anuj Dosajh | 27,59,070 |

INTEREST OF KEY MANAGERIAL PERSONNEL

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of equity shares in the company as specified in above table.

CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel during the last three years:

| Name of the KMPs | Date of Appointment / Change in designation / Resignation | Reason for Change |
|------------------|---|---|
| Ms. Kirti Jain | 03-04-2024 (effective date) | Appointment as Company Secretary and Compliance Officer |
| Mr. Anuj Dosajh | 18-03-2024 | Appointment as Managing Director |
| Ms. Nidhi Sharma | 02-04-2024 (effective date) | Resignation as Company Secretary and Compliance Officer |
| Ms. Nidhi Sharma | 02-03-2024 | Appointment as Company Secretary and Compliance Officer |
| Mr. Rakesh Kaul | 02-03-2024 | Appointment as Chief Financial Officer |

Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.



LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against the key managerial personnel as on the date of this Draft Red Herring Prospectus.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Statements*” and the chapter titled “*Our Business*” beginning on pages 185 and 122 of this Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

RETIREMENT BENEFITS

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

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OUR PROMOTERS

Promoters of Our Company are Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina and Mr. Lalit Mohan Datta. For details of the Capital build-up of our Promoters, see chapter titled “Capital Structure” beginning on page no. 70 of this Draft Red Herring Prospectus.

The details of our Promoters are as follows:

| | |
|---|--|
|  | Mr. Anuj Dosajh |
| | <p>Anuj Dosajh, aged 60 years, is the Promoter and the Chairman cum Managing Director of the Company. He is a founding member of the Company and was appointed as Director since the incorporation of the Company. He is a Chemical Engineer having more than 36 years of experience in establishing water & wastewater projects in myriad industries & commercial establishments. Prior to starting Apex Ecotech in 2009, Anuj worked in Thermax Limited from 1988-94, subsequently became their associate / dealer in Delhi / NCR region responsible for sales & service of their products primarily steam boilers, water & wastewater treatment products etc. till 2008. Presently he manages procurement, project management, accounts, finance, administration & legal functions and is actively involved in assisting other directors & senior colleagues on a daily basis for effective company operations focussed towards continual improvement and on time overall deliverance.</p> |
| Date of Birth | December 11, 1963 |
| Age | 60 years |
| PAN | AADPD7875M |
| Educational Qualification | Bachelor of Engineering in Chemical from M. S. Ramaiah Institute of Technology, Bangalore, in the year 1987. |
| Present Residential Address | C-41, Golf View Apartments, MIG Flats, Saket, South Delhi, Delhi-110017 |
| No. of Equity Shares & % of Shareholding (Pre-Offer) | 27,59,070 28.49% |
| Directorship held | Oakens Engineering Services Private Limited Flagmo EA Technologies Private Limited |
| Other Ventures | Nil |

| | |
|---|--|
|  | Mr. Ramakrishnan Balasundaram Aiyer |
| | <p>Ramakrishnan Balasundaram Aiyer, aged 48 years, is the Promoter and Executive Director of our Company. He is a founding member of the Company and was appointed as Director since the incorporation of the Company. He completed his Mechanical Engineer from University of Pune in the year 2000 and MBA (Finance) from Sikkim Manipal University in the year 2012. He has more than 24 years of experience in Design, Procurement, Sales & Marketing of engineering equipment & projects in the field of water & wastewater treatment & technologies. Prior to starting Apex Ecotech in 2009, he worked in Thermax Ltd. from 1994–2006, thereafter he started his own enterprise ‘Pure & Pristine’ in Hyderabad from 2006-09 focusing on providing water & wastewater treatment solutions to various industries. Ramesh possesses vast knowledge in process design, application engineering, technical knowhow etc. and is primarily responsible for research, innovation, design, engineering and commissioning of projects in the company.</p> |

| | |
|---|--|
| Date of Birth | February 04, 1976 |
| Age | 48 years |
| PAN | AAWPA9360P |
| Educational Qualification | Bachelor of Engineering, Mechanical from University of Pune in the year 2000. MBA from Sikkim Manipal University in the year 2012. |
| Present Residential Address | Jagatap Dairy Road, Divya Heights, Flat No. B-201, Rahatani, Pune, Maharashtra- 411017. |
| No. of Equity Shares & % of Shareholding (Pre-Offer) | 27,59,070 28.49% |
| Directorship held | Nil |
| Other Ventures | Nil |

| | |
|--|---|
|  | Mr. Ajay Raina |
| | <p>Ajay Raina, aged 43 years, is the Promoter and Executive Director of the Company. He is a founding member of the Company and was appointed as Director since the incorporation of the Company. He completed his Bachelor of Engineering in Mechanical from Jamia Milia Islamia, Delhi in the year 2006 and has more than 21 years of experience in Sales & Marketing of engineering equipment & projects in the field of water & wastewater. Prior to starting Apex Ecotech in 2009, Ajay worked with an associate of Thermax Ltd. from 2000–2007 and had a stint in Pentair. Ajay's perseverance, diligence, awareness towards client's requirement, technical proficiency, expertise in strategic business development & digital marketing has enabled him to ensure sustained growth of the company and is largely responsible for web management and all domestic & international sales & marketing in the company.</p> |
| Date of Birth | September 05, 1980 |
| Age | 43 years |
| PAN | AJSPR4951L |
| Educational Qualification | Bachelor of Engineering (Mechanical) in 2006 from Jamia Milia Islamia, Delhi |
| Present Residential Address | ATS Tourmaline Flat No. 3041, Sector 109, Near Sobha International City, Bajghera, Gurgaon, Haryana- 122017 |
| No. of Equity Shares & % of Shareholding (Pre-Offer) | 18,08,530 18.67% |
| Directorship held | Nil |
| Other Ventures | Nil |

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| | |
|---|---|
|  | Mr. Lalit Mohan Datta Mr. Lalit Mohan Datta , aged 64 years, is an Electrical Engineer. He has more than 40 years of experience in service & maintenance of engineering equipment & projects. Prior to joining Apex Ecotech in 2009, Lalit worked in Thermax Ltd. from 1982–99, thereafter was an associate of Thermax Ltd. along with Anuj in Delhi NCR. Presently manages site execution, after sales service along with operation & maintenance. |
| | Date of Birth September 03, 1959 Age 65 years PAN AADPD7846E Educational Qualification He has completed Diploma in Electrical Engineering from Board of Technical Education Delhi in year 1980 and Diploma in Refrigeration and Air Conditioning from Board of Technical Education Delhi in year 1981. Present Residential Address Pocket-12, C2C-184, Janakpuri, B-1 S.O., West Delhi, Delhi- 110058 No. of Equity Shares & % of Shareholding (Pre-Offer) 18,08,930 18.68% Directorship held Flagmo Marketing Private Limited Other Ventures Nil |

For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Companies” beginning on page 182 of this Draft Red Herring Prospectus.

Relationship of Promoters with our Directors

Our Promoters are a part of our Board of Directors as Managing Director and Executive Directors. None of our promoters related to our company’s directors as per section 2(77) of Companies Act, 2013.

OTHER UNDERTAKINGS AND CONFIRMATIONS

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the Emerge Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters have confirmed that they have not been identified as wilful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.



INTEREST OF PROMOTERS

Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

Interest in the property of Our Company

Except as mentioned in “Immovable Property” under chapter titled “Our Business” beginning from page no. 122 of this Draft Red Herring Prospectus. Our Promoters, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Draft Red Herring Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Draft Red Herring Prospectus.

Interest as member of Our Company

Our Promoters jointly hold 91,35,600 Equity Shares aggregating to 94.32% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Ajay Raina given in the chapter titled – *Our Management* beginning on page number 156 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

Interest as Director of our Company

Except as stated in the “*Related Party Transactions*” beginning on page number 202 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

Disassociation by the Promoters in the last three years

Our Promoter have not disassociated themselves from any of the companies/partnership firms during preceding three years.

Other Ventures of our Promoters

Save and except as disclosed in the chapters titled “*Our Group Companies*” beginning on page 182 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Change in the control of Our Company

There is no change in the control of our Company in the last three years.

Litigations involving our Promoters



For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 223 of this Draft Red Herring Prospectus.

Payment of benefits to our Promoters and Promoter Group during the last two years

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Note 22 of Financial Statements Restated on page number 202 of the section titled “*Financial Statement as Restated*” beginning on page number 185 of the Draft Red Herring Prospectus, there has been no payment or benefit to promoters during the 2 years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

Other Confirmations

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 223 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulter nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

Guarantees

Except as stated below, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

Our Company has availed fund based and non based limit facilities of ₹ 700.00/- Lakhs from Bank of India. The guarantor for the said limit facilities are Mr. Anuj Dosajh, Mr. Ramakrishnan Balasundaram Aiyer, Mr. Lalit Mohan Datta and Mr. Ajay Raina.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Note 22 of Standalone Financial Statements Restated on page number 202 of the section titled “*Financial Statement as Restated*” beginning on page number 185 of the Draft Red Herring Prospectus.

Information of our group companies

For details related to our group companies please refer “*Our Group Companies*” on page no. 182 of this Draft Red Herring Prospectus.



OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations is as under

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

| Relationship | Name of the Relatives | | | |
|-------------------------|---------------------------|--------------------------|-------------------------------------|---|
| | Mr. Anuj Dosajh | Mr. Ajay Raina | Mr. Ramakrishnan Balasundaram Aiyer | Mr. Lalit Mohan Datta |
| Father | Late Rabinder Nath Dasajh | Kakajee Raina | Balasundaram Krishnnaswamy Aiyer | Late Shri Pran Nath Datta |
| Mother | Urmil Dosajh | Vijay Raina | Savithri B. Aiyer | Raksha Datta |
| Spouse | Poonam Dosajh | Monica Bhat | Asha Aiyer | Ruby Datta |
| Brother | NA | Sunil Raina | Shivakumar Iyer | NA |
| Sister | Poonam Ashokkumar Lulla | NA | NA | Shanta Lau |
| Son | Aryaman Dosajh | Yashas Raina | NA | Pranshu Datta |
| Daughter | Aishwarya D Magoo | NA | Aishwarya Aiyer Gayatri Aiyer | Bhumika Datta Khatte Sudiksha Datta Sachdeva |
| Spouse's Father | Madan Mohan Arora | Late Shri Mohan Lal Bhat | Late M K Natrajan | Late Shri Hansraj Sharma |
| Spouse's Mother | Late Devi Arora | Dura Dhar | Late Jayalakshmi N | Pushpa Paul |
| Spouse's Brother | Chetan Arora | Mahesh Bhat | NA | NA |
| Spouse's Sister | NA | NA | Anuradha Aiyer | NA |

B. Companies related to our Promoter Company: Not Applicable as our Promoter is not Company.

| Particulars | Entity |
|---|--------|
| Subsidiaries or Holding Company of Promoter Company | NA |
| Any Body corporate in which Promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the Promoter (Body Corporate) | NA |

C. Companies, partnership, and proprietorship firms forming part of our Promoter Group are as follows:



| Nature of Relationship | Name of Entities |
|---|---|
| Anybody corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relatives is a member. | Flagmo Marketing Private Limited Flagmo EA Technologies Private Limited Oakens Engineering Services Private Limited |
| Anybody corporate in which a body corporate as mentioned above holds 20% or more of the total share capital | NA |
| Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total capital | NA |

COMMON PURSUITS OF OUR PROMOTERS

None of the Promoter Group entities have business objects similar to our business.

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OUR GROUP COMPANIES

In terms of the SEBI (ICDR) Regulations, the term “group companies”, includes:

- i. Such companies (other than promoter (s) and subsidiary/subsidiaries) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and
- ii. Any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Subsidiary) with which there were related party transactions during the periods covered in the Restated Financial Statement, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our promoters and Subsidiary will not be considered as Group Companies.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated July 18, 2024 our Group Companies includes:

- (a) Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years.

Provided, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

- (b) All such companies which the Board has deemed to be material to be considered as Group Companies / Associates Companies.

As on date of Draft Red Herring Prospectus the Company does not have any Group Companies.

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RELATED PARTY TRANSACTION

For details on related party transaction of our Company, please refer to “Restated Financial Information – Annexure to Financial Information- Note 22 Related Party Transactions” at page 202 of this Draft Red Herring Prospectus.

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DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also give the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for 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 will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

For details of risks in relation to our capability to pay dividend, see “Risk Factors” – Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid / declared dividend in last three years and during stub period from date of this Draft Red Herring Prospectus.

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SECTION IX- FINANCIAL STATEMENTS

FINANCIAL STATEMENT AS RESTATED

Independent Auditor's Examination Report on Restated Financial Information

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,

**The Board of Directors,
Apex Ecotech Limited**
Office no. 202, Garden Plaza, Five Gardens Road,
Sunshine Villas, Rahatani,
Pune-411017, Maharashtra, India

Dear Sir/Madam,

1. We have examined the attached Restated Financial Information of **Apex Ecotech Limited** (formerly known as Apex Ecotech Private Limited) [hereinafter referred as the "Company"] which comprise of the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated statement of Profit and Loss, the Restated Cash Flow Statement for the period ended on March 31, 2024, March 31, 2023 and March 31, 2022, the Statement of Basis of Preparation and the Summary Statement of Significant Accounting Policies and other explanatory information (Collectively, the "Restated Financial Information"), as approved by the board of directors of the Company at their meeting held on 18-07-2024 for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus hereinafter collectively referred to as "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of Equity Shares ("IPO") on Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge").

The restatement Summary Statement have been prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended ("the Act") read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules")
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time pursuant to the provisions of the Securities and Exchange Board of India, 1992 ("the SEBI ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") as amended from time to time ("the Guidance Note").

Managements Responsibility for the Restated Financial Information:

2. The Company's Board of Directors is responsible for the preparation of the Restated Information for the purpose of inclusion in the Offer Documents to be filed with Stock Exchange, Securities and Exchange Board of India ("SEBI") and Registrar of Companies, Pune in connection with the proposed SME IPO. The Restated Financial Information have been prepared by the Management of the company. The responsibility of the Board of Directors of the company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.



Auditors' Responsibilities

3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed Initial Public Issue of the Company;
 - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Issue.

Restated Financial Information as per audited Financial Statements

4. These Restated Financial Information have been prepared and compiled by the management from audited financial statements of the Company as at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India.
5. We have also examined the following Restated Indian GAAP financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors for the period ended March 31, 2024, March 31, 2023 and March 31, 2022.
6. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, the ICDR Regulations and the Guidance Note, we report that:
 - a) The Restated Statement of Assets and Liabilities of the Company, including as at March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Note 1 – Significant Accounting Policies.
 - b) The Restated Statement of Profit & Loss of the Company, for the years ending on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Note 1 – Significant Accounting Policies.
 - c) The Restated Statement of Cash Flows of the Company, for the years ending on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Note 1 – Significant Accounting Policies.
7. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

| | | |
|---|---|------------|
| 1 | Restated Summary Statement of Significant accounting policies | Annexure-1 |
| 2 | Restated Statement of Share Capital | Annexure-2 |
| 3 | Restated Summary Statement of Reserves and Surplus | Annexure-3 |
| 4 | Restated Summary Statement of Borrowings | Annexure-4 |

| | | |
|----|---|-------------|
| 5 | Restated Summary Statement of Provisions | Annexure-5 |
| 6 | Restated Summary Statement of Trade Payables | Annexure-6 |
| 7 | Restated Summary Statement of Other Current Liabilities | Annexure-7 |
| 8 | Restated Summary Statement of Property Plant and Equipment | Annexure-8 |
| 9 | Restated Summary Statement of Other Non-Current Assets | Annexure-9 |
| 10 | Restated Summary Statement of Inventories | Annexure-10 |
| 11 | Restated Summary Statement of Trade Receivables | Annexure-11 |
| 12 | Restated Summary Statement of Cash and Bank Balances | Annexure-12 |
| 13 | Restated Summary Statement of Short-Term Loans and Advances | Annexure-13 |
| 14 | Restated Summary Statement of Other Current Assets | Annexure-14 |
| 15 | Restated Summary Statement of Revenue from Operations | Annexure-15 |
| 16 | Restated Summary Statement of Other income | Annexure-16 |
| 17 | Restated Summary Statement of Cost of Material Consumed | Annexure-17 |
| 18 | Restated Summary Statement of Change in Inventories in WIP | Annexure-18 |
| 19 | Restated Summary Statement of Employee Benefit Expense | Annexure-19 |
| 20 | Restated Summary Statement of Finance Costs | Annexure-20 |
| 21 | Restated Summary Statement of Other Expenses | Annexure-21 |
| 22 | Restated Summary Statement of Related Party Disclosures | Annexure-22 |
| 23 | Restated Summary Statement of Payment to Auditors | Annexure-23 |
| 24 | Restated Summary Statement of Foreign currency transactions | Annexure-24 |
| 25 | Restated Summary Statement of Deferred Tax Assets/ Liabilities | Annexure-25 |
| 26 | Restated Summary Statement of Contingent liabilities and commitments | Annexure-26 |
| 27 | Restated Summary Statement of Other Matters | Annexure-27 |
| 28 | Restated Summary Statement of Other Notes | Annexure-28 |
| 29 | Restated Summary Statement of Additional Regulatory Information as per Schedule III | Annexure-29 |
| 30 | Restated Summary Statement of Financial ratios as per Schedule III | Annexure-30 |
| 31 | Restated Summary Statement of Payables & Receivables Ageing | Annexure-31 |
| 32 | Restated Summary Statement of Expenditure in Foreign Currency | Annexure-32 |
| 33 | Restated Summary Statement of Bifurcation of Revenue among Domestic Sales and Exports | Annexure-33 |
| 34 | Restated Summary Statement of Segment Information | Annexure-34 |
| 35 | Restated Summary Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per Audited Financial Statements | Annexure-35 |
| 36 | Restated Summary Statement of Summary of Accounting Ratios | Annexure-36 |
| 37 | Restated Summary Statement of Tax Shelters | Annexure-37 |
| 38 | Restated Summary of Capitalisation Statement | Annexure-38 |
| 39 | Restated Summary of Restated EPS after considering the Bonus issue | Annexure-39 |

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited Financial Statements mentioned in para 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.



11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the management for inclusion in the Offer Document to be filed with Securities and Exchange Board of India, the stock exchanges, National Stock Exchange of India Limited, and Registrar of Companies, Pune in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Raman Chawla & Associates
Chartered Accountants
FRN: 035543N
Peer Review No. – 015066

Sd/-
Jasmeet Singh
Partner
Membership No. - 549076
UDIN – 24549076BKECSW7167

Date: 18 July 2024
Place: New Delhi

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Restated Summary Statement of Assets and Liabilities

(All amounts are in INR Lakhs, unless stated otherwise)

| Particulars | Notes | As at | As at | As at |
|--|---------|-----------------|-----------------|-----------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| I. EQUITY & LIABILITIES | | | | |
| (1) Shareholder's Funds | | | | |
| (a) Share Capital | 2 | 96.86 | 91.36 | 91.36 |
| (b) Reserves and Surplus | 3 | 1,376.70 | 631.16 | 279.07 |
| (2) Non-Current Liabilities | | | | |
| (a) Long-term borrowings | 4 | 19.95 | 38.72 | 77.05 |
| (b) Other Non-Current Liabilities | | - | - | - |
| (c) Long term provisions | 5 | 40.80 | 31.78 | 37.57 |
| (3) Current Liabilities | | | | |
| (a) Short-term borrowings | 4 | 22.18 | 19.51 | 33.05 |
| (b) Trade payables | 6 | | | |
| Outstanding dues to micro and small enterprises | | 344.86 | 178.67 | 142.65 |
| Outstanding dues to other than micro and small enterprises | | 28.83 | 88.55 | 70.55 |
| (c) Other current liabilities | 7 | 365.29 | 604.91 | 217.00 |
| (d) Short-term provisions | 5 | 260.46 | 83.14 | 30.45 |
| Total Equity & Liabilities | | 2,555.93 | 1,767.81 | 978.73 |
| II. ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Property, Plant and Equipment | 8 | | | |
| (i) Tangible assets | | 128.14 | 137.65 | 158.59 |
| (ii) Intangible assets | | 1.35 | 0.21 | 0.58 |
| (iii) Capital Work in Progress | | - | - | - |
| (b) Deferred tax assets (net) | 25 | 12.05 | 11.19 | 9.38 |
| (c) Other Non Current Assets | 9 | - | 2.75 | - |
| (2) Current assets | | | | |
| (a) Inventories | 10 | 175.52 | 340.55 | 192.74 |
| (b) Trade receivables | 11 | 866.67 | 701.08 | 346.58 |
| (c) Cash and Bank Balances | 12 | 1,012.46 | 357.24 | 67.12 |
| (d) Short-term loans and advances | 13 | 50.21 | 102.07 | 65.06 |
| (e) Other current assets | 14 | 309.54 | 115.07 | 138.68 |
| Total Assets | | 2,555.93 | 1,767.81 | 978.73 |
| See Accompanying Notes to Financial Statements | 2 to 34 | | | |
| Significant Accounting Policies | 1 | | | |

The accompanying notes form an integral part of financial statements.

As per our report of even date attached.

For Raman Chawla and Associates

Chartered Accountants

Firm Regn No - 035543N

Sd/-
Jasmeet Singh
Partner
M No. 549076

Date: 18 July 2024
Place: New Delhi
UDIN: 24549076BKECSW7167

For and on behalf of the Board

Apex Ecotech Limited

Sd/-
Anuj Dosajh
Managing Director
DIN : 00119225

Sd/-
Rakesh Kaul
Chief Financial Officer

Sd/-
Ajay Raina
Director
DIN : 02042979

Sd/-
Kirti Jain
Company Secretary



Restated Summary Statement of Profit and Loss

(All amounts are in INR Lakhs, unless stated otherwise)

| Particulars | Notes | For the year ended | For the year ended | For the year ended |
|--|---------|--------------------|--------------------|--------------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| Income | | | | |
| Revenue from operations | 15 | 5,308.09 | 3,457.38 | 1,951.18 |
| Other Income | 16 | 38.40 | 34.68 | 51.68 |
| Total Income | | 5,346.49 | 3,492.06 | 2,002.86 |
| Expenditure | | | | |
| Cost of Material Consumed | 17 | 3,622.38 | 2,286.46 | 1,268.02 |
| Changes in inventories of WIP | 18 | - | - | 79.87 |
| Employee benefit expense | 19 | 467.78 | 498.63 | 465.51 |
| Finance cost | 20 | 5.76 | 9.43 | 24.50 |
| Depreciation | 8 | 22.92 | 27.77 | 36.06 |
| Other expenses | 21 | 329.85 | 253.74 | 180.92 |
| Total Expenses | | 4,448.69 | 3,076.02 | 2,054.88 |
| Profit/(Loss) before exceptional items and tax | | 897.80 | 416.04 | (52.02) |
| Less: Exceptional Items | | - | - | - |
| Profit/(Loss) before tax | | 897.80 | 416.04 | (52.02) |
| Tax expense: | | | | |
| (1) Current tax | | (235.10) | (59.76) | - |
| (2) Taxes of Earlier years | | (0.52) | (5.99) | - |
| (3) Deferred tax | 25 | 0.86 | 1.81 | (13.83) |
| Profit/(Loss) from the period from continuing operations | | 663.04 | 352.10 | (65.86) |
| Profit/(Loss) from discontinuing operations: | | - | - | - |
| Less: Tax expense of discontinuing operations | | - | - | - |
| Profit/(Loss) from Discontinuing operations | | - | - | - |
| Profit/(Loss) for the period | | 663.04 | 352.10 | (65.86) |
| Earning per equity share:* | | | | |
| (1) Basic | | - | - | - |
| (2) Diluted | | - | - | - |
| Earning per equity share - Basic & Diluted | | 72.47 | 38.54 | (7.21) |
| Earning per equity share considering the impact of Bonus - Basic & Diluted | | 7.25 | 3.85 | (0.72) |
| See Accompanying Notes to Financial Statements | 2 to 34 | | | |
| Significant Accounting Policies | 1 | | | |

The accompanying notes form an integral part of financial statements.

As per our report of even date attached.

For Raman Chawla and Associates
Chartered Accountants
Firm Regn No - 035543N

For and on behalf of the Board
Apex Ecotech Limited

Sd/-
Jasmeet Singh
Partner
M No. 549076

Sd/-
Anuj Dosajh
Managing Director
DIN : 00119225

Sd/-
Ajay Raina
Director
DIN : 02042979

Date: 18 July 2024
Place: New Delhi
UDIN: 24549076BKECSW7167

Sd/-
Rakesh Kaul
Chief Financial Officer

Sd/-
Kirti Jain
Company Secretary



Restated Summary Statement of Cash Flow

(All amounts are in INR Lakhs, unless stated otherwise)

| Particulars | Notes | Year ended | Year ended | Year ended |
|--|---------|--------------------------------|--------------------------------|--------------------------------|
| | | 31 st March 2024 | 31 st March 2023 | 31 st March 2022 |
| A. Cash flow from Operating Activities | | | | |
| Net Profit Before Income tax & Extraordinary item | | 897.80 | 416.04 | (52.02) |
| Add: Depreciation | | 22.92 | 27.77 | 36.06 |
| Add: Interest Expenses | | 5.76 | 6.80 | 28.66 |
| Add: Previous year taxes paid | | (0.52) | (5.99) | - |
| Less: Profit on sale of Fixed Assets | | - | - | (39.78) |
| Less: Interest Income | | (9.59) | (6.41) | (2.69) |
| Operating Profit before Working Capital changes | | 916.36 | 438.20 | (29.78) |
| Changes In Working Capital | | | | |
| Increase in Trade Payables | | 106.47 | 54.02 | (177.66) |
| Increase in Long term provisions | | 9.02 | (5.79) | 37.57 |
| Increase in Short term provisions | | 177.32 | 52.69 | 30.45 |
| Increase/(Decrease) in Long term liabilities | | - | - | - |
| Increase/(Decrease) in Other current liabilities | | (239.62) | 387.92 | 98.00 |
| (Increase)/Decrease in Trade Receivables | | (165.59) | (354.50) | 96.83 |
| (Increase)/Decrease in Other Current Assets | | (194.48) | 23.61 | (55.95) |
| (Increase)/Decrease in Non Current Assets | | 2.75 | (2.75) | - |
| (Increase)/Decrease in Short term Loans & advances | | 51.87 | (37.01) | (46.02) |
| (Increase)/Decrease in Inventory | | 165.03 | (147.80) | 91.79 |
| Operating (Loss)/Profit after Changes in Working Capital | | (87.23) | (29.60) | 74.98 |
| Less : Income Tax paid | | 235.10 | 59.76 | - |
| Less : Interim Dividend & Tax Paid | | - | - | - |
| Net Cash Generated from Operating Activities | [A] | 594.04 | 348.83 | 45.20 |
| B. Cash flows from Investing Activities | | | | |
| Purchase of Fixed Assets | | (14.54) | (6.46) | (33.80) |
| Sale of Fixed Assets | | - | - | 321.42 |
| Interest on Bank Deposits | | 9.59 | 6.41 | 2.69 |
| Movement in Fixed Deposits | | 74.63 | (89.25) | (12.37) |
| Net Cash from Investing Activities | [B] | 69.68 | (89.30) | 277.94 |
| C. Cash flows from Financing Activities | | | | |
| Issuance of Share Capital | | 88.00 | | |
| Interest Expenses | | (5.76) | (6.80) | (28.66) |
| Proceeds/Repayment of Borrowings | | (16.11) | (51.86) | (297.90) |
| Net Cash Generated from Financing Activities | [C] | 66.14 | (58.66) | (326.56) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | [A+B+C] | 729.85 | 200.88 | (3.41) |
| Cash and Cash Equivalents at the Beginning of the year | | 215.37 | 14.49 | 17.90 |
| Cash and Cash Equivalents at the End of the year | | 945.21 | 215.37 | 14.49 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | [D] | 729.85 | 200.88 | (3.41) |
| Components of Cash and Cash Equivalents | | | | |
| Cash in hand | | 11.83 | 3.95 | 6.25 |
| With Banks | | 933.38 | 211.42 | 8.24 |
| Total Cash and Cash Equivalents | [E] | 945.21 | 215.37 | 14.49 |

Note:

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' as specified in the section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

As per our report of even date attached.

For Raman Chawla and Associates
Chartered Accountants
Firm Regn No - 035543N

For and on behalf of the Board
Apex Ecotech Limited

Sd/-
Jasmeet Singh
Partner
M No. 549076

Sd/-
Anuj Dosajh
Managing Director
DIN : 00119225

Sd/-
Ajay Raina
Director
DIN : 02042979

Date: 18 July 2024
Place: New Delhi
UDIN: 24549076BKECSW7167

Sd/-
Rakesh Kaul
Chief Financial Officer

Sd/-
Kirti Jain
Company Secretary



APEX ECOTECH LIMITED (Formerly known as Apex Ecotech Private Limited)
Restated Summary of Significant Accounting Policies

1 Significant accounting policies:

a. Basis of preparation

The Restated Summary Statement of the Assets and Liabilities, of the Company as at 31 March 2024, 31 March 2023, 31 March 2022 the Restated Summary Statement of Profits and Losses and the Restated Summary Statement of Cash Flows, for the reporting periods ended 31 March 2024, 31 March 2023, 31 March 2022 (collectively referred to as 'Restated Summary Statements') have been compiled by management of the Company from the audited financial statements of the Company for the periods ended 31 March 2024, 31 March 2023, 31 March 2022 and have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as IPO)

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The Restated Summary Statement of the Assets and Liabilities, profits and losses and cash flows have been prepared to comply in all material respects with the requirement of Section 26(1)(b) of the Companies Act, 2013, read with rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

b. Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

c. Uses of Estimates

The presentation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities (including 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.

d. Inventories/Work in Progress/Raw Material

- i. Finished goods, goods held for resale and packing materials are stated at lower of cost and net realizable value.
- ii. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

e. 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.

Sale of Goods: - Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discounts, returns and GST.

Sale of Services: - Revenue from sale of services is recognized as the services are rendered based on agreements/arrangements with customers.

f. Fixed Assets

i. Property, plant & equipment

PPE Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

ii. Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Gains or losses arising



from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is de-recognized.

g. Depreciation and Amortization

Depreciation on Property, Plant and Equipment is provided on Written Down Value Method (WDV) on the basis of useful lives of the asset considering the nature, estimated usage, operating conditions, past history of replacement anticipated technological changes, manufacturers' warranties and maintenance support.

Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of property, plant and equipments, which might be different from those prescribed in Schedule II of the Act.

Estimated useful lives of assets are as follows:

| Type of Asset | Estimated useful life(Years) |
|------------------------|------------------------------|
| Plant and Machinery | 20 Years |
| Vehicles | 8 Years |
| Furniture and Fixtures | 5 Years |
| Office Equipments | 5 Years |
| Computers | 3 Years |
| Softwares | 3 Years |

h. Cash Flow Statement

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

i. Deferred Taxes

Tax expense comprises of current and deferred taxes. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred Income Taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Income Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognized deferred tax assets, if any. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date. Accordingly deferred tax asset is created having closing balance of Rs. 12.05 Lakhs (Rs.

11.19 Lakhs in previous year) on account effect of WDV of Property, Plant and Equipment, disallowed items and carried forward of losses.

j. Earnings Per Share

Basic Earnings per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of Equity Shares outstanding during the period. Partly paid Equity Share, if any is treated as a fraction of an Equity Share to the extent that they were entitled to participate in dividends relative to a fully paid Equity Share during the reporting period. The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any.

k. Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow



of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Accounting policies are not specifically referred to otherwise be consistent and in consonance with generally accepted accounting principles.

I. Employee Benefits:

Gratuity liability under the payment of Gratuity Act has been provided in the books of accounts as per Actuarial Valuation as required under Accounting Standard -15 (Revised) issued by The Institute of Chartered Accountants of India.

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APEX ECOTECH LIMITED (Formerly known as Apex Ecotech Private Limited)
Restated Summary of Notes to financial statements

(All amounts are in INR Lakhs, unless stated otherwise)

| | As at | | As at | | As at | | |
|----------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | | |
| | Number | Amount | Number | Amount | Number | Amount | |
| 2 | Share capital | | | | | | |
| | Authorised share capital | | | | | | |
| | Equity shares of ` 10 each | 1,50,00,000 | 1,500.00 | 15,00,000 | 150.00 | 15,00,000 | 150.00 |
| | Issued, subscribed and fully paid up | | | | | | |
| | Equity shares of ` 10 each | 9,68,600 | 96.86 | 9,13,600 | 91.36 | 9,13,600 | 91.36 |
| | Total issues, subscribed and fully paid up share capital | 9,68,600 | 96.86 | 9,13,600 | 91.36 | 9,13,600 | 91.36 |

| a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period | | | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | As at | | As at | | As at | | |
| | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | | |
| | Number | Amount | Number | Amount | Number | Amount | |
| | Equity Shares | | | | | | |
| | Equity Shares at the beginning of the period | 9,13,600 | 91.36 | 9,13,600 | 91.36 | 9,13,600 | 91.36 |
| | Add: Shares issued during the period | 55,000 | 5.50 | - | - | - | - |
| | Equity shares at the end of the period | 9,68,600 | 96.86 | 9,13,600 | 91.36 | 9,13,600 | 91.36 |

b The Company has only one class of equity shares, having a par value of Rs. 10 per share. Each shareholder is eligible to one vote per fully paid share held. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| c Details of shareholders holding more than 5% shares in the company | | | | | | | |
|---|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | As at | | As at | | As at | | |
| | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | | |
| | Number | % of Holding | Number | % of Holding | Number | % of Holding | |
| | Equity shares of Rs. 10 each | | | | | | |
| | Mr. Anuj Dosajh | 2,75,907 | 28.49% | 2,75,907 | 30.20% | 2,75,907 | 30.20% |
| | Mr. Ajay Raina | 1,80,893 | 18.68% | 1,80,893 | 19.80% | 1,80,893 | 19.80% |
| | Mr. Ramakrishnan Balasundaram Aiyer | 2,75,907 | 28.49% | 2,75,907 | 30.20% | 2,75,907 | 30.20% |
| | Mr. Lalit Mohan Datta | 1,80,893 | 18.68% | 1,80,893 | 19.80% | 1,80,893 | 19.80% |
| | | 9,13,600 | 94.32% | 9,13,600 | 100.00% | 9,13,600 | 100.00% |

| d Details of shares held by the promoters at the end of the period | | | | | | | |
|---|-------------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|----------------|
| | As at | | As at | | As at | | |
| | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | | |
| | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares | |
| | Promoters' name | | | | | | |
| | Mr. Anuj Dosajh | 2,75,907 | 28.49% | 2,75,907 | 30.20% | 2,75,907 | 30.20% |
| | Mr. Ajay Raina | 1,80,893 | 18.68% | 1,80,893 | 19.80% | 1,80,893 | 19.80% |
| | Mr. Ramakrishnan Balasundaram Aiyer | 2,75,907 | 28.49% | 2,75,907 | 30.20% | 2,75,907 | 30.20% |
| | Mr. Lalit Mohan Datta | 1,80,893 | 18.68% | 1,80,893 | 19.80% | 1,80,893 | 19.80% |
| | | 9,13,600 | 94.32% | 9,13,600 | 100.00% | 9,13,600 | 100.00% |

(All amounts are in INR Lakhs, unless stated otherwise)

| | As at | | As at | | As at | |
|----------|---|--|-----------------|--------|-----------------|--|
| | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | |
| | | | | | | |
| 3 | Reserves and surplus | | | | | |
| | Surplus in the statement of Profit and Loss | | | | | |
| | Opening balance of Profit & Loss Account | | 631.16 | 279.07 | 344.92 | |

| | | | | |
|-------------------------------|--|-----------------|---------------|---------------|
| Add : Profit for the year | | 663.04 | 352.10 | (65.86) |
| Closing balance | | 1,294.20 | 631.16 | 279.07 |
| Securities Premium | | | | |
| Opening balance | | - | - | - |
| Add: received during the year | | 82.50 | - | - |
| Closing Balance | | 82.50 | - | - |
| | | 1,376.70 | 631.16 | 279.07 |

| 4 | Borrowings | As at | | As at | | As at | |
|--|--|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | |
| | | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term |
| | (a)Secured Loans | | | | | | |
| | i)Kotak Mahindra Loan | 6.19 | 7.76 | 13.95 | 7.18 | 21.14 | 6.66 |
| | ii)YES Bank | 2.24 | 3.59 | 5.83 | 3.28 | 9.12 | 3.01 |
| | iii)ICICI Bank Ltd | 1.34 | 5.10 | 6.45 | 4.69 | 11.13 | 4.31 |
| | iv)Kotak Mahindra Loan | 7.99 | 4.59 | 12.49 | 4.36 | 16.8 | 3.97 |
| | v) Bank of India Loan | 2.19 | 1.14 | - | - | - | - |
| | vi) ECLGS Loan from ICICI Bank Limited | | | | | 18.87 | 15.10 |
| | vii) ICICI Bank Ltd :- Cash Credit A/c | - | - | - | - | - | - |
| | | 19.95 | 22.18 | 38.72 | 19.51 | 77.05 | 33.05 |
| i) Kotak Mahindra Loan is secured by hypothecation of MG Gloster Car having reg no. DL12CT3903 | | | | | | | |
| ii) YES Bank Loan is secured by hypothecation of Innova Crysta Car having reg no. DL10CL4306 | | | | | | | |
| iii) ICICI Bank Ltd is secured by hypothecation of Innova Crysta Car having reg no. MH14JA7993 | | | | | | | |
| iv) Kotak Mahindra Loan is secured by hypothecation of Innova Crysta Car having reg no. DL9CAW9046 | | | | | | | |
| V) Bank of India Loan is secured by hypothecation of 5 bikes given to employees for office purpose. | | | | | | | |
| vi) ECLGS Loan from ICICI Bank Limited is secured through extension of rank second charge over the existing primary and Collateral securities including mortgages created in favour of bank for cash credit. | | | | | | | |
| vii) ICICI Bank Ltd Cash Credit is secured against the Stock, Book debts & Fixed Deposits of the Company, Industrial property of the Company located at S-72/1,MIDC Bhosari, Pune, Residential property of directors- Mr Lalit Mohan Dutta and Mr Ramakrishnan Iyer, Residential plot of director -Mr. Anuj Dosajh and personal guarantees of all the directors of the company. | | | | | | | |

(All amounts are in INR Lakhs, unless stated otherwise)

| 5 | Provisions | As at | | As at | | As at | |
|---|---------------------------|-----------------|---------------|-----------------|--------------|-----------------|--------------|
| | | 31st March 2024 | | 31st March 2023 | | 31st March 2022 | |
| | | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term |
| | Provision for Gratuity | 40.80 | 25.36 | 31.78 | 23.38 | 37.57 | 30.45 |
| | Provisions for Income Tax | | 235.10 | | 59.76 | - | - |
| | | - | - | - | - | - | - |
| | | 40.80 | 260.46 | 31.78 | 83.14 | 37.57 | 30.45 |

(All amounts are in INR Lakhs, unless stated otherwise)

| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
|----------|--|-----------------|-----------------|-----------------|
| 6 | Trade payables | | | |
| a) | Payable to Micro, Small & Medium Enterprises* | | | |
| | Considered Good - MSME | 341.67 | 178.67 | 129.39 |
| | Not Good | 3.20 | - | 10.62 |
| | Interest Payable as per MSMED Act | - | - | 2.63 |
| | | 344.86 | 178.67 | 142.65 |
| b) | Payable to Others | | | |
| | Considered Good - Others | 18.02 | 77.74 | 59.74 |
| | Not Good | 10.81 | 10.81 | 10.81 |
| | | 28.83 | 88.55 | 70.55 |

| | | | | |
|--|--|--------|--------|--------|
| | * The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. | | | |
| | - The principal amount remaining unpaid to any supplier as at the end of the year | 344.86 | 178.67 | 140.01 |
| | - The interest due on the principal remaining outstanding as at the end of the year | - | - | 2.63 |
| | - The amount of interest paid under the MSMED Act, along with the amounts of the payment made beyond the appointed day during the year | Nil | Nil | Nil |
| | - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | Nil | Nil | Nil |
| | - The amount of interest accrued and remaining unpaid at the end of the year | - | - | 2.63 |
| | - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act | - | - | 2.63 |

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|----------|------------------------------------|-----------------------------|-----------------------------|--------------------------|
| 7 | Other current liabilities | | | |
| | (a) Advance from Customers | 157.43 | 478.47 | 162.19 |
| | (b) Expenses Payable | 61.37 | 10.92 | 30.90 |
| | (c) Statutory Dues Payable | 3.99 | 2.65 | 3.52 |
| | (d) Retentions | 141.09 | 90.25 | 13.99 |
| | (e) TDS & TCS Payable | - | 21.20 | 2.84 |
| | (f) Other Dues Payable - Statutory | 1.41 | 1.41 | 3.55 |
| | | 365.29 | 604.91 | 217.00 |

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8. PROPERTY PLANT & EQUIPMENT AS ON 31.03.2024

| Particulars | Gross carrying value | | | | Accumulated depreciation | | | | Net block | |
|------------------------------|----------------------|-----------------|-------------|---------------|--------------------------|-----------------|-------------|---------------|---------------|---------------|
| | As at | Additions | Deletions/ | As at | As at | Additions | Deletions/ | As at | As at | As at |
| | 1 April 2023 | during the year | adjustments | 31 March 2024 | 1 April 2023 | during the year | adjustments | 31 March 2024 | 31 March 2024 | 31 March 2023 |
| TANGIBLE | | | | | | | | | | |
| Computers | 14.53 | 3.69 | - | 18.22 | 10.56 | 2.77 | - | 13.33 | 4.89 | 3.97 |
| Land | 76.16 | - | - | 76.16 | - | - | - | - | 76.16 | 76.16 |
| Factory Building | - | - | - | - | - | - | - | - | - | - |
| Office Equipments | 7.05 | 1.30 | - | 8.35 | 4.80 | 1.13 | - | 5.93 | 2.41 | 2.24 |
| Plant & Machinery | 0.75 | - | - | 0.75 | 0.28 | 0.07 | - | 0.34 | 0.40 | 0.47 |
| Vehicles | 128.90 | 6.14 | - | 135.04 | 75.36 | 17.36 | - | 92.72 | 42.33 | 53.54 |
| Furniture & Fixtures | 2.57 | 1.34 | - | 3.91 | 1.31 | 0.66 | - | 1.97 | 1.94 | 1.26 |
| INTANGIBLE | | | | | | | | | | |
| Softwares | 7.78 | 2.07 | - | 9.85 | 7.56 | 0.93 | - | 8.50 | 1.35 | 0.21 |
| TOTAL | 237.74 | 14.54 | - | 252.28 | 99.88 | 22.92 | - | 122.79 | 129.49 | 137.86 |
| PREVIOUS YEAR FIGURES | 231.27 | 6.46 | - | 238 | 72.11 | 27.77 | - | 99.88 | 137.86 | 159.16 |

PROPERTY PLANT & EQUIPMENT AS ON 31.03.2023

| Particulars | Gross carrying value | | | | Accumulated depreciation | | | | Net block | |
|-------------------|----------------------|-----------------|-------------|---------------|--------------------------|-----------------|-------------|---------------|---------------|---------------|
| | As at | Additions | Deletions/ | As at | As at | Additions | Deletions/ | As at | As at | As at |
| | 1 April 2022 | during the year | adjustments | 31 March 2023 | 1 April 2022 | during the year | adjustments | 31 March 2023 | 31 March 2023 | 31 March 2022 |
| TANGIBLE | | | | | | | | | | |
| Computers | 10.49 | 4.04 | - | 14.53 | 9.01 | 1.55 | - | 10.56 | 3.97 | 1.48 |
| Land | 76.16 | - | - | 76.16 | - | - | - | - | 76.16 | 76.16 |
| Factory Building | - | - | - | - | - | - | - | - | - | - |
| Office Equipments | 5.05 | 2.00 | - | 7.05 | 3.75 | 1.06 | - | 4.80 | 2.24 | 1.30 |
| Plant & Machinery | 0.75 | - | - | 0.75 | 0.20 | 0.08 | - | 0.28 | 0.47 | 0.55 |



| | | | | | | | | | | |
|---------------------------------|---------------|--------------|-----------------|---------------|--------------|--------------|----------------|--------------|---------------|---------------|
| Vehicles | 128.90 | - | - | 128.90 | 51.05 | 24.32 | - | 75.36 | 53.54 | 77.86 |
| Furniture & Fixtures | 2.14 | 0.43 | - | 2.57 | 0.91 | 0.40 | - | 1.31 | 1.26 | 1.23 |
| INTANGIBLE | | | | | | | | | | |
| Softwares | 7.78 | - | - | 7.78 | 7.20 | 0.37 | - | 7.56 | 0.21 | 0.58 |
| TOTAL | 231.27 | 6.46 | - | 237.74 | 72.11 | 27.77 | - | 99.88 | 137.86 | 159.16 |
| PREVIOUS YEAR FIGURES | 507.86 | 33.80 | (310.38) | 231 | 64.80 | 36.06 | (28.75) | 72.11 | 159.16 | 443.06 |

| PROPERTY PLANT & EQUIPMENT AS ON 31.03.2022 | | | | | | | | | | |
|--|-----------------------------|------------------------|--------------------|----------------------|---------------------------------|------------------------|--------------------|----------------------|----------------------|----------------------|
| Particulars | Gross carrying value | | | | Accumulated depreciation | | | | Net block | |
| | As at | Additions | Deletions/ | As at | As at | Additions | Deletions/ | As at | As at | As at |
| | 1 April 2021 | during the year | adjustments | 31 March 2022 | 1 April 2021 | during the year | adjustments | 31 March 2022 | 31 March 2022 | 31 March 2021 |
| TANGIBLE | | | | | | | | | | |
| Computers | 9.04 | 1.45 | - | 10.49 | 7.36 | 1.65 | - | 9.01 | 1.48 | 1.68 |
| Land | 254.62 | - | (178.45) | 76.16 | - | - | - | - | 76.16 | 254.62 |
| Factory Building | 131.44 | - | (131.44) | - | 23.79 | 4.65 | (28.44) | - | - | 107.65 |
| Office Equipments | 4.76 | 0.29 | - | 5.05 | 2.80 | 0.95 | - | 3.75 | 1.30 | 1.96 |
| Plant & Machinery | 0.75 | - | - | 0.75 | 0.11 | 0.09 | - | 0.20 | 0.55 | 0.63 |
| Vehicles | 98.12 | 31.27 | (0.49) | 128.90 | 23.92 | 27.43 | (0.31) | 51.05 | 77.86 | 74.20 |
| Furniture & Fixtures | 1.36 | 0.79 | - | 2.14 | 0.61 | 0.30 | - | 0.91 | 1.23 | 0.75 |
| INTANGIBLE | | | | | | | | | | |
| Softwares | 7.78 | - | - | 7.78 | 6.20 | 0.99 | - | 7.20 | 0.58 | 1.57 |
| TOTAL | 507.86 | 33.80 | (310.38) | 231.27 | 64.80 | 36.06 | (28.75) | 72.11 | 159.16 | 443.06 |
| PREVIOUS YEAR FIGURES | 398.91 | 156.00 | (47.06) | 507.86 | 49.26 | 39.33 | (23.79) | 64.80 | 443.06 | 349.66 |



(All amounts are in INR Lakhs, unless stated otherwise)

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|----------|---------------------------------|--------------------------|--------------------------|--------------------------|
| 9 | Other Non Current Assets | | | |
| | Prepaid expense | - | 2.75 | - |
| | | - | 2.75 | - |

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|--------------------------|--------------------------|--------------------------|
| 10 | Inventories | | | |
| | (valued at cost or lower of net realisable value) | | | |
| | Work in progress | - | - | - |
| | Raw Materials | 175.52 | 340.55 | 192.74 |
| | | 175.52 | 340.55 | 192.74 |

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|--------------------------|--------------------------|--------------------------|
| 11 | Trade receivables | | | |
| | - Outstanding for a period Less than 6 months | 195.94 | 257.56 | 163.56 |
| | - Others | 17.62 | 76.01 | 118.21 |
| | - Other receivables | | | |
| | - Trade Retentions | 653.12 | 273.86 | 64.81 |
| | - Others | - | 93.65 | - |
| | | 866.67 | 701.08 | 346.58 |

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|--------------------------|--------------------------|--------------------------|
| 12 | Cash and Bank Balances | | | |
| | (a) Cash and cash equivalents | | | |
| | i) Cash in hand | 11.83 | 3.95 | 6.25 |
| | ii) Balances with banks | | | |
| | - in current accounts | 179.41 | 209.87 | 8.24 |
| | - cheques-in-hand | - | 1.54 | - |
| | iii) Deposits with banks | 753.97 | - | - |
| | (b) Other bank balances | | | |
| | Fixed Deposits (Against Bank Guarantee) | 67.24 | 141.88 | 52.63 |
| | | 1,012.46 | 357.24 | 67.12 |

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|-----------|--------------------------------------|--------------------------|--------------------------|--------------------------|
| 13 | Short term loans and advances | | | |
| | Advances to vendors | 50.21 | 102.07 | 65.06 |
| | | 50.21 | 102.07 | 65.06 |

| | | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|-----------|-------------------------------|--------------------------|--------------------------|--------------------------|
| 14 | Other Current Assets | | | |
| | Advances to Employees | 6.30 | 2.91 | 0.26 |
| | Prepaid expense | 11.47 | 9.02 | 3.48 |
| | GST Receivable | 18.99 | 26.96 | 29.78 |
| | Income tax receivable | 248.77 | 72.78 | 60.87 |
| | Insurance claim Receivable | - | - | - |
| | Unbilled Revenue | - | - | 40.59 |
| | Other Receivables - Statutory | 20.18 | - | - |
| | Security Deposits | 3.77 | 3.40 | 3.71 |
| | Interest accrued but not due | 0.06 | | |
| | | 309.54 | 115.07 | 138.68 |

(All amounts are in INR Lakhs, unless stated otherwise)

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 15 | Revenue from operations | | | |
| | Sales of Products | 5,118.32 | 3,336.58 | 1,471.38 |
| | Supply of services | 189.77 | 120.80 | 479.81 |
| | Revenue from operations (Net) | 5,308.09 | 3,457.38 | 1,951.18 |

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| 16 | Other income | | | |
| | Foreign Exchange Fluctuation Gain | 5.06 | 11.49 | 1.59 |
| | Interest received on FD | 9.59 | 3.53 | 2.69 |
| | Freight, Carriage and Forwarding charge | 1.66 | 11.91 | 1.02 |
| | Reversal of provision of interest on MSME | - | 2.63 | 4.16 |
| | Interest on Income tax refund | - | 2.88 | - |
| | Interest on VAT Refund | - | - | 1.22 |
| | Profit on Sale of Fixed Assets | - | - | 39.78 |
| | Balance Written Off | 1.47 | 1.73 | 0.85 |
| | Settlement amount received | 20.63 | - | - |
| | Miscellaneous Income | - | 0.50 | 0.36 |
| | | 38.40 | 34.68 | 51.68 |

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 17 | Cost of Material Consumed | | | |
| | Opening Stock | 340.55 | 192.74 | 204.66 |
| | Add: Purchase of Raw Material | 3,262.02 | 2,311.18 | 1,034.06 |
| | Add: Direct Expenses | 195.33 | 123.08 | 222.05 |
| | Less:- Closing Stock | (175.52) | (340.55) | (192.74) |
| | | 3,622.38 | 2,286.46 | 1,268.02 |

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|-------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 18 | Change in Inventories in WIP | | | |
| | Closing stock -WIP | - | - | - |
| | Less: Opening stock -WIP | - | - | 79.87 |
| | | - | - | (79.87) |

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| 19 | Employee benefit expense | | | |
| | Salaries, wages and bonus (incl. provision for Gratuity) | 322.15 | 241.02 | 342.97 |
| | Director's Remuneration | 116.35 | 235.49 | 99.60 |
| | Contribution to Provident and Other Funds | 21.54 | 15.93 | 19.44 |
| | Staff welfare expenses | 7.74 | 6.19 | 3.49 |
| | | 467.78 | 498.63 | 465.51 |

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 20 | Finance cost | | | |
| | Interest Paid | | | |
| | - Banks - Interest | 3.99 | 7.68 | 19.88 |
| | - Others - Interest | - | - | 0.11 |
| | Limit Renewal and Processing Charges | 1.77 | 1.75 | 4.50 |
| | | 5.76 | 9.43 | 24.50 |

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 21 | Other Expenses | | | |
| | Bank Charges & Bank Gaurantee Charges | 4.34 | 10.04 | 9.48 |
| | Business Promotion Expenses | 9.47 | 8.85 | 2.21 |
| | Duty drawback paid | - | - | 3.28 |



| | | | |
|---|---------------|---------------|---------------|
| Carriage Outwards | 88.63 | 36.88 | 34.74 |
| Computer Maintenance | 3.83 | 3.41 | 2.59 |
| Conveyance & Petrol Expenses | 54.53 | 42.22 | 37.95 |
| Cleaning Charges | - | - | 1.22 |
| Labour and Handling Charges | 1.29 | 11.90 | 6.10 |
| Electricity & Water Charges | 3.38 | 3.30 | 3.89 |
| Insurance Charges | 4.97 | 3.16 | 2.97 |
| Bad debts written off | 1.55 | 31.27 | - |
| Interest on as per MSMED Act | - | - | - |
| Interest on Statutory Dues | 0.17 | 0.04 | 2.19 |
| Legal, Professional & Consultancy Charges | 14.23 | 9.46 | 9.18 |
| Office Expenses | 2.30 | 5.10 | 4.15 |
| Payment to Auditors (Refer Note No. 22) | 10.45 | 3.80 | 3.71 |
| Printing & Stationery | 2.15 | 2.13 | 1.87 |
| Rent, Rates & Taxes | 34.39 | 24.72 | 23.36 |
| Repairs & Maintenance | 1.13 | 3.39 | 2.79 |
| Security Expenses | 4.18 | 4.18 | 3.76 |
| Site Expenses | 40.76 | 8.67 | 3.46 |
| Telephone, Internet & Postage Expenses | 9.69 | 10.51 | 8.00 |
| Travelling Expenses | 37.47 | 30.32 | 12.54 |
| Miscellaneous Expenses | 0.94 | 0.37 | 1.48 |
| | 329.85 | 253.74 | 180.92 |

22 Related Party Disclosure

a) Names of related parties with whom transactions has been taken place

Relationship

Managing Director
Directors

Name

Mr. Anuj Dosajh
Mr. Ajay Raina
Mr. Ramakrishnan
Balasundaram Aiyer
Mr. Lalit Mohan Datta
(Resigned on 31 March 2024)

Relation

Mrs. Poonam Dosajh Spouse of Director
Mrs. Asha Aiyer Spouse of Director
Mrs. Monica Bhat Spouse of Director

Relative of Directors

Key Managerial Persons

Chief Financial Officer (w.e.f. 02/03/2024)
Company Secretary (w.e.f. 03/04/2024)
Company Secretary (From 02/03/2024 to 02/04/2024)

Mr. Rakesh Kaul
Ms. Kirti Jain
Ms. Nidhi Sharma

Enterprises over which Directors have significant Influence

Oakens Engineering Services Private Limited
Flagmo Ea Technologies Private Limited
Flagmo Marketing Private Limited

* Note- Related Parties have been identified by the Management

| b) | Transactions with related parties | As at | As at | As at |
|----|---|-----------------|-----------------|-----------------|
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| | Director's Remuneration | | | |
| | Directors | 116.35 | 235.49 | 99.60 |
| | Mr. Anuj Dosajh | 32.41 | 73.42 | 29.40 |
| | Mr. Ajay Raina | 37.49 | 49.32 | 20.40 |
| | Mr. Ramakrishnan Balasundaram Aiyer | 32.41 | 73.42 | 29.40 |
| | Mr. Lalit Mohan Datta (Resigned on 31 March 2024) | 14.03 | 39.32 | 20.40 |
| | Salary & Wages | | | |
| | Chief Financial Officer (w.e.f. 02/03/2024) | | | |
| | Mr. Rakesh Kaul | 0.90 | - | - |
| | Company Secretary (From 02/03/2024 to 02/04/2024) | 0.21 | - | - |
| | Ms. Nidhi Sharma | | | |
| | Relative of Directors | 17.28 | 7.20 | - |
| | Mrs. Poonam Dosajh | 5.76 | 2.40 | - |
| | Mrs. Asha Aiyer | 5.76 | 2.40 | - |

| | | | | |
|----|--------------------------------------|------------------------|------------------------|------------------------|
| | Mrs. Monica Bhat | 5.76 | 2.40 | - |
| | Loan taken | | | |
| | - Directors | - | 28.65 | - |
| | Mr. Anuj Dosajh | | 23.65 | - |
| | Mr. Ramakrishnan Balasundaram Aiyer | | 5.00 | - |
| | Loan repaid | | | |
| | Directors | - | 28.65 | - |
| | Mr. Anuj Dosajh | - | 23.65 | - |
| | Mr. Ramakrishnan Balasundaram Aiyer | - | 5.00 | - |
| | Property Purchased | | | |
| | Directors | - | - | - |
| | Mr. Anuj Dosajh | - | - | - |
| | Rent of Pune Office | | | |
| | Directors | - | - | 0.06 |
| | Mr. Ramkrishnan Aiyer | - | - | 0.06 |
| c) | Outstanding Balances | | | |
| | | As at | As at | As at |
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| | Director Remuneration Payable | 6.00 | - | - |
| | Mr. Anuj Dosajh | 1.85 | - | - |
| | Mr. Ajay Raina | 1.52 | - | - |
| | Mr. Ramakrishnan Balasundaram Aiyer | 1.65 | - | - |
| | Mr. Lalit Mohan Datta | 0.98 | - | - |
| | Rent Payable | - | - | 0.06 |
| | Mr. Ramakrishnan Balasundaram Aiyer | - | - | 0.06 |

| | | | | |
|----|--------------------------------------|------------------------|------------------------|------------------------|
| | | As at | As at | As at |
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| 23 | Payment of Auditors Includes: | | | |
| | Audit Fee | 6.00 | 1.50 | 1.50 |
| | Tax Audit Fee | 0.50 | 0.50 | 0.50 |
| | Other Professional services | 3.95 | 1.80 | 1.71 |
| | Total | 10.45 | 3.80 | 3.71 |

| | | | | |
|----|---------------------------------------|------------------------|------------------------|------------------------|
| | | As at | As at | As at |
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| 24 | Foreign Currency Transactions | | | |
| | a Earnings in Foreign Currency | | | |
| | Export Sales | 407.71 | 481.94 | - |
| | Advance from Customer | 22.64 | | |
| | | 430.35 | 481.94 | - |
| | b Expenses in Foreign Currency | | | |
| | Import Purchases | - | - | |
| | | - | - | - |

| | | | | |
|----|---------------------------------------|------------------------|------------------------|------------------------|
| | | As at | As at | As at |
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| 25 | Deferred Tax Liability/Assets | | | |
| | WDV as per Income Tax Act | 177.37 | 182.34 | 196.45 |
| | WDV as per Companies Act | 129.49 | 137.86 | 159.16 |
| | Difference | 47.88 | 44.48 | 37.29 |
| | Closing Deferred Tax Asset | 12.05 | 11.19 | 9.38 |
| | Opening Deferred Tax Asset | 11.19 | 9.38 | 23.22 |
| | Reversal of Deferred Tax Asset | 0.86 | 1.81 | (13.83) |

| | | | | |
|--|--|------------------------|------------------------|------------------------|
| | | As at | As at | As at |
| | | 31st March 2024 | 31st March 2023 | 31st March 2022 |



| | | | | |
|-----------|---|--------------|-------------|--------------|
| 26 | Contingent liabilities and commitments | | | |
| | Interest on late payment to Disputed MSME Creditors | 12.59 | 9.77 | 12.59 |
| | | 12.59 | 9.77 | 12.59 |

| | | | | |
|-----------|----------------------|---|--|--|
| 27 | Other Matters | | | |
| | 1 | The Company had filed an appeal before District Judge, Nasik against the award of Rs. 3.20 Lakhs passed by Micro & Small Enterprises Facilitation council, Nasik Division dated 16.11.2018. Earlier M/s Positive Metering Pumps (I) Pvt Ltd initiated a conciliation proceedings under section 18 read with section 17 of the Micro, Small and Medium Enterprises Development Act, 2006 for non payment of principal amounting to Rs. 2.64 Lakhs and interest of Rs. 0.38 Lakhs. An amount of Rs. 3.20 Lakhs is included under the head Trade Payables, Schedule 5 of Balance Sheet. The appeal filed by the company has been quashed by the district court. However, no claim has been raised by the party till date and management is of the opinion that no provision is required to be made for the additional interest amount and therefore the same has been shown as contingent liability. | | |
| | 2 | Company has filed a suit on M/s Vishesh Wollen Mills for recovery of Rs. 3.62 Lakhs towards balance payment receivable for supply of STP 200 KLD plant alongwith Interest of Rs. 2.12 Lakhs. The above amount of Rs. 3.62 Lakhs is included in Trade Receivable "Others" under the head Trade Receivable. Schedule 11 of the Balance sheet. The matter is pending before ADJ, District North, Rohini as on 31 March 2024. | | |
| | 3 | Company has filed suit on M/s DLF Home Developers Limited for recovery of Rs. 47.49 Lakhs, matter listed for the arguments on the application U/o.XXXVII Rule 3(4) R/w Section 151 of CPC. The above amount of Rs. 47.49 Lakhs includes principal amount of Rs. 11.89 Lakhs and difference being damages and interest amounting to Rs. 35.60 Lakhs. The above amount of 11.88 Lakhs is included in Trade Receivable "Others" under the head Trade Receivable, Schedule 11 of Balance Sheet. The matter is pending as on 31 March 2024. | | |
| | 4 | Company has filed 2 suits on Mr. Vinod Patel Proprietor M/s Extreme automation U/S 138 of Negotiable Instrument Act, 1881 for an amount of Rs. 4.28 Lakhs and is included in Short Term Loans and Advances Schedule 13 and is pending in the court of Judicial Magistrate First Class, Pimpri. Company has applied for issuance of summons. Hence, court has issued summons against the accused. The matter is pending as on 31 March 2024. | | |
| | 5 | The Company has been assessed u/s 143(3) of Income Tax Act 1961 for AY 2022-23 wherein the assessment order dated 22.03.2024 was passed. Ld. AO made an addition of Rs. 11,29,831/- thereby raising a demand of Rs. 43,020/- Pursuant to above assessment order, Penalty proceedings u/s 270A of the Income Tax Act 1961, were also initiated separately. Aggrieved by the above Assessment order, the Company has filed an appeal u/s 246A before Commissioner of Income Tax (Appeals) on 22.04.2024. Penalty proceedings initiated are kept in abeyance till the disposal of above appeal. The case is yet to be fixed for hearing. | | |

| | |
|-----------|--|
| 28 | Previous year figures have been regrouped and reclassified wherever required. |
|-----------|--|

| | |
|-----------|--|
| 29 | Disclosures in compliance with amendment in Schedule III |
| a. | The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property. |
| b. | The Company has not entered any transactions with Companies that were struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. |
| c. | The Company is in compliance with number of layers of Companies, as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. |
| d. | The Company has not been declared a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI. |
| e. | During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable, since there were no transaction. |
| f. | The Company does not have any such transaction which is not recorded in books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. |
| g. | There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period. |
| h. | All the quarterly statements of current assets filed by Company with the banks or financial institutions agree with books of accounts, if any. |
| i. | The Company has not traded or invested in crypto currency or virtual currency during the financial year. |

| | |
|----|--|
| j. | The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (“Intermediaries”) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/entities identified in any manner whatsoever by or on behalf of the Group (‘ultimate beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. |
| k. | 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 Group shall 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 provide any guarantee, security or the like on behalf of the ultimate beneficiaries. |

| .30 Disclosures in compliance with amendment in Schedule III | | | |
|---|-----------------|-------------------|------------------|
| Solvency Ratios | | | |
| Particulars | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| a) Current ratio = Current assets divided by Current liabilities | | | |
| Current assets | 2,414.39 | 1,616.00 | 810.18 |
| Current liabilities | 1,021.62 | 974.78 | 493.68 |
| Ratio | 2.36 | 1.66 | 1.64 |
| % age change from previous year/period | 42.56% | 1.02% | 51.06% |
| b) Debt equity ratio = Total Debt divided by Shareholders equity | | | |
| Total debt | 42.13 | 58.24 | 110.10 |
| Total Equity | 1,473.56 | 722.52 | 370.43 |
| Ratio | 0.03 | 0.08 | 0.30 |
| %age change from previous year/period | (64.53%) | (72.88%) | (68.22%) |
| c) Debt service coverage ratio = Earnings available for debt services divided by Total interest and principal payments | | | |
| Earnings available for Debt service | 888.07 | 418.56 | (43.14) |
| Interest & Debt Service | 21.86 | 61.29 | 322.40 |
| Ratio | 40.62 | 6.83 | (0.13) |
| %age change from previous year/period | 494.78% | (5203.16%) | (125.20%) |
| d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Shareholder’s Equity | | | |
| Profit After tax | 663.04 | 352.10 | (65.86) |
| Average Shareholder’s Equity | 1,098.04 | 546.48 | 403.36 |
| Ratio | 60% | 64% | (-16%) |
| %age change from previous year/period | (6.28%) | (494.62%) | (48.67%) |
| e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory | | | |
| Cost of Goods Sold | 3,622.38 | 2,286.46 | 1,347.90 |
| Average Inventory | 258.03 | 266.64 | 238.64 |
| Ratio | 14.04 | 8.57 | 5.65 |
| %age change from previous year/period | 63.72% | 51.81% | 111.47% |
| f) Trade Receivables turnover ratio = Credit Sales divided by Average trade receivables | | | |
| Credit Sales | 5,308.09 | 3,457.38 | 1,951.18 |
| Average trade receivables | 783.87 | 523.83 | 394.99 |
| Ratio | 6.77 | 6.60 | 4.94 |
| %age change from previous year/period | 2.60% | 33.61% | 168.92% |
| g) Trade payables turnover ratio = Net credit purchases divided by average trade payables | | | |
| Credit Purchases | 3,262.02 | 2,311.18 | 1,034.06 |
| Average trade payables | 320.45 | 240.21 | 302.03 |
| Ratio | 10.18 | 9.62 | 3.42 |
| %age change from previous year/period | 5.80% | 181.03% | 212.97% |



| | | | |
|--|-----------------|------------------|-----------------|
| h) Net capital Turnover Ratio = Total sales divided by shareholders equity | | | |
| Revenue from operations | 5,308.09 | 3,457.38 | 1,951.18 |
| Shareholders' Equity | 1,098.04 | 546.48 | 403.36 |
| Ratio | 4.83 | 6.33 | 4.84 |
| %age change from previous year/period* | (23.59%) | 30.79% | 114.46% |
| i) Net profit ratio = Net profit after tax divided by Sales | | | |
| Profit after tax | 663.04 | 352.10 | (65.86) |
| Revenue from operations | 5,308.09 | 3,457.38 | 1,951.18 |
| Ratio | 12.49% | 10.18% | (3.38%) |
| %age change from previous year/period | 22.66% | (401.73%) | (76.07%) |
| j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed | | | |
| Profit Before Tax* (A) | 897.80 | 416.04 | (52.02) |
| Finance costs* (B) | 5.76 | 9.43 | 24.50 |
| EBIT (C) = (A)+(B) | 903.56 | 425.47 | (27.53) |
| Total equity (D) | 1,473.56 | 722.52 | 370.43 |
| Borrowings (including lease liabilities) (E) | 42.13 | 58.24 | 110.10 |
| Capital Employed (F)=(D)+(E) | 1,515.69 | 780.76 | 480.53 |
| Ratio (C)/(F) | 59.61% | 54.49% | -5.73% |
| %age change from previous year/period | 9.39% | -1051.27% | -63.02% |

| | | | | | |
|---|---|---|---|---|---------------|
| 31 | Payable and Receivables Ageing | | | | |
| Trade Payables as on 31-03-2024 | | | | | |
| Ageing | MSME | Others | Disputed dues – MSME | Disputed dues – Others | Total |
| Less than 1 Year | 341.67 | 16.52 | - | - | 358.19 |
| 1-2 Year | - | 1.49 | - | - | 1.49 |
| 2-3 Year | - | - | - | - | - |
| >3 Year | - | - | 3.20 | 10.81 | 14.00 |
| Total | 341.67 | 18.02 | 3.20 | 10.81 | 373.69 |
| Trade Payables as on 31-03-2023 | | | | | |
| Ageing | MSME | Others | Disputed dues – MSME | Disputed dues – Others | Total |
| Less than 1 Year | 175.47 | 77.74 | - | - | 253.21 |
| 1-2 Year | - | - | - | - | - |
| 2-3 Year | - | - | - | - | - |
| >3 Year | 3.20 | - | - | 10.81 | 14.00 |
| Total | 178.67 | 77.74 | - | 10.81 | 267.22 |
| Trade Payables as on 31-03-2022 | | | | | |
| Ageing | MSME | Others | Disputed dues – MSME | Disputed dues – Others | Total |
| Less than 1 Year | 129.12 | 56.38 | - | - | 185.50 |
| 1-2 Year | 0.27 | 3.36 | - | - | 3.63 |
| 2-3 Year | - | - | - | - | - |
| >3 Year | - | - | 10.62 | 10.81 | 21.43 |
| Total | 129.39 | 59.74 | 10.62 | 10.81 | 210.56 |
| Trade Receivables as on 31-03-2024 | | | | | |
| Ageing | Undisputed Trade receivables-considered good | Undisputed Trade Receivable s- Considered Doubtful | Disputed Trade Receivables considered good | Disputed Trade Receivables considered doubtful | Total |
| Less than 6 months | 195.94 | - | - | - | 195.94 |
| 6 months to 1 Year | 1.26 | - | - | - | 1.26 |
| 1-2 Year | 0.85 | - | - | - | 0.85 |
| 2-3 Year | - | - | - | - | - |
| >3 Year | - | - | 15.51 | - | 15.51 |
| Not Due | 653.12 | - | - | - | 653.12 |
| Total | 851.16 | - | 15.51 | - | 866.67 |
| Trade Receivables as on 31-03-2023 | | | | | |
| Ageing | Undisputed Trade receivables-considered good | Undisputed Trade Receivables- Considered Doubtful | Disputed Trade Receivables considered good | Disputed Trade Receivables considered doubtful | Total |

| | | | | | |
|--------------------|---------------|----------|--------------|----------|---------------|
| Less than 6 months | 257.56 | - | - | - | 257.56 |
| 6 months to 1 Year | 13.65 | - | - | - | 13.65 |
| 1-2 Year | 22.80 | - | - | - | 22.80 |
| 2-3 Year | 4.17 | - | - | - | 4.17 |
| >3 Year | 1.55 | - | 33.84 | - | 35.39 |
| Not Due | 367.51 | - | - | - | 367.51 |
| Total | 667.24 | - | 33.84 | - | 701.08 |

Trade Receivables as on 31-03-2022

| Ageing | Undisputed Trade receivables-considered good | Undisputed Trade Receivables-Considered Doubtful | Disputed Trade Receivables considered good | Disputed Trade Receivables considered doubtful | Total |
|--------------------|--|--|--|--|---------------|
| Less than 6 months | 163.56 | - | - | - | 163.56 |
| 6 months to 1 Year | 40.62 | - | - | - | 40.62 |
| 1-2 Year | 10.94 | - | - | - | 10.94 |
| 2-3 Year | 5.01 | - | - | - | 5.01 |
| >3 Year | 27.81 | - | 33.84 | - | 61.65 |
| Not Due | 64.81 | - | - | - | 64.81 |
| Total | 312.74 | - | 33.84 | - | 346.58 |

| 32 Expenditure in Foreign Currency: | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|--|
| Particulars | As at | As at | As at | |
| | 31st March 2024 | 31st March 2023 | 31st March 2022 | |
| Travelling | - | - | - | |
| Interest | - | - | - | |
| Business promotion | - | - | - | |

| 33 Bifurcation of Revenue among Domestic Sales and Exports | | | | |
|--|-----------------|-----------------|-----------------|--|
| Particulars | As at | As at | As at | |
| | 31st March 2024 | 31st March 2023 | 31st March 2022 | |
| Domestic Sales | 4,900.38 | 2,975.44 | 1,951.18 | |
| Export of goods | 407.71 | 481.94 | - | |
| Total Sales | 5,308.09 | 3,457.38 | 1,951.18 | |

| 34 Segment Information | | | | |
|--|--|-----------------|-----------------|--|
| | The business activities of the Company predominantly fall within a single primary business. Thus, there are no separate reportable segment businesses. | | | |
| 35 | Restated Summary Statement of Reconciliation of Restated Profit/(Loss) to Profit/(Loss) as per Audited Financial Statements | | | |
| i. | Material Regrouping | | | |
| | Appropriate Adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Loss and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per latest audited financial statements of the Company and the requirements of SEBI Regulations. | | | |
| ii. | Material Adjustments | | | |
| | The Summary of results of restatement made in the latest Audited Financial Statements for the respective years and its impact on profit/(loss) of the Company is as follows: | | | |
| Particulars | As at | As at | As at | |
| | 31st March 2024 | 31st March 2023 | 31st March 2022 | |
| Profit/(Loss) after Tax (as per audited financial statements) (i) | 663.04 | 284.08 | 2.16 | |
| Add/(Less): Adjustments on account of- | | | | |
| Difference on Account of Change in Deferred Tax | | | | |
| Difference on Account provision for gratuity as per AS-15 | - | (68.01) | 68.01 | |
| Previous period Tax Adjustments | | | | |
| Total Adjustments (ii) | - | (68.01) | 68.01 | |



Restated Profits/(Loss) (i+ii+iii)

663.04

352.10

(65.86)

| 36 Summary of Accounting Ratios | | | | |
|---|-----------------|-----------------|-----------------|--|
| Particulars | As at | As at | As at | |
| | 31st March 2024 | 31st March 2023 | 31st March 2022 | |
| Net Worth (A)* | 1,473.56 | 722.52 | 370.43 | |
| Restated Profit after tax | 663.04 | 352.10 | (65.86) | |
| Less: Prior Period Item | - | - | - | |
| Adjusted Profit after Tax (B) | 663.04 | 352.10 | (65.86) | |
| Face Value per Share | 10 | 10 | 10 | |
| Number of Equity shares outstanding as on the of year | 9,68,600 | 9,13,600 | 9,13,600 | |
| Weighted average number of equity shares (after considering Bonus Issue of Shares) | 91,49,562 | 91,36,000 | 91,36,000 | |
| Current Assets (E) | 2,414.39 | 1,616.00 | 810.18 | |
| Current Liabilities (F) | 1,021.62 | 974.78 | 493.68 | |
| Restated Basic and Diluted Earnings Per Share (Rs.) (B/C) (after Bonus) | 7.25 | 3.85 | (0.72) | |
| Return on Net worth (%) (B/A) (Annualized) | 60.38% | 64.43% | -16.33% | |
| Net asset value per share, also based on weighted average number of shares(A/C) | 16.11 | 7.91 | 4.05 | |
| Current Ratio (E/F) | 2.36 | 1.66 | 1.64 | |
| Restated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)# | 888.07 | 418.56 | (43.14) | |
| <p>Note - Bonus issue of 9 equity shares for each held was made after the date of restated Financial statements but before the issue of DRHP and effect of the same has been considered above. * Net Worth = Share Capital + Reserve & Surplus - Revaluation reserve # EBITDA = Profit after Tax + Finance Cost + Depreciation +Tax - Other Income</p> | | | | |

| 37 Restated Summary of Tax Shelters | | | | |
|--|-----------------|-----------------|-----------------|--|
| Particulars | As at | As at | As at | |
| | 31st March 2024 | 31st March 2023 | 31st March 2022 | |
| Profit before tax as per books (A) | 897.80 | 416.04 | (52.02) | |
| Normal Corporate Tax Rate (%) | 25.17% | 25.17% | 25.17% | |
| Tax at notional rate of profits | 225.96 | 104.71 | (13.09) | |
| Adjustments: | | | | |
| Permanent Differences (B) | | | | |
| Expenses disallowed/ (allowed) under Income Tax Act, 1961 | 11.01 | (11.46) | 70.91 | |
| Total Permanent Differences (B) | 11.01 | (11.46) | 70.91 | |
| Timing Differences (C) | | | | |
| Depreciation as per Companies Act | (22.92) | (27.77) | (36.06) | |
| Depreciation as per Income Tax Act | 19.51 | 20.58 | 20.79 | |
| Differences due to any other items of additions u/s 28 to 44DA | | | | |
| Total Timing Differences (C) | (3.40) | (7.19) | (15.28) | |
| Net Adjustments (D = B+C) | 7.60 | (18.65) | 55.64 | |
| Taxable Income / (Loss) (A+B) | 905.40 | 397.39 | 3.61 | |



| | | | |
|--|---------------|--------------|-------------|
| Less: Brought forward losses | - | (174.32) | - |
| Taxable Income/ Loss after adjustment of brought forward losses | 905.40 | 223.07 | 3.61 |
| Tax as per Normal Calculation | | | |
| Basic Tax | 199.19 | 49.07 | 0.79 |
| Surcharge | 19.92 | 4.91 | 0.08 |
| Cess | 8.76 | 2.16 | 0.03 |
| Income Tax as computed | 227.87 | 56.14 | 0.91 |

38 Restated Summary of Capitalization Statement

| Particulars | Pre-issue (as at March 31,2024) | Post-issue* |
|--|---------------------------------------|-------------|
| Debt: | | |
| Short Term Debt | 22.18 | |
| Long-term Debt | 19.95 | |
| Total Debt | 42.13 | |
| Shareholder's fund (Equity) | | |
| Share Capital | 96.86 | |
| Reserves and surplus | 1,376.70 | |
| Total Shareholder's fund (Equity) | 1,473.56 | |
| Long-term Debt/Equity | 0.01 | |
| Total Debt/Equity | 0.03 | |

*The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

| 39 Restated EPS after considering the Bonus issue | | | |
|---|-----------------------|-----------------------|--------------------|
| Particulars | For the year ended | For the year ended | For the year ended |
| | 31st March 2024 | 31st March 2023 | 31st March 2022 |
| Profit After Tax | 663.04 | 352.10 | (65.86) |
| Weighted Average no. of Equity Shares | 91,49,562 | 91,36,000 | 91,36,000 |
| Earning per equity share: | | | |
| Basic EPS | 7.25 | 3.85 | (0.72) |
| Diluted EPS | 7.25 | 3.85 | (0.72) |
| * The EPS above is calculated on the basis of Bonus issue (9:1) made by the company after the date of restated Financial Statements but before the issue of DRHP. | | | |

For Raman Chawla and Associates
Chartered Accountants
Firm Regn No - 035543N

Sd/-
Jasmeet Singh
Partner
M No. 549076

Date: 18 July 2024
Place: New Delhi
UDIN: 24549076BKECSW7167

For and on behalf of the Board
Apex Ecotech Limited

Sd/-
Anuj Dosajh
Managing Director
DIN : 00119225

Sd/-
Rakesh Kaul
Chief Financial Officer

Sd/-
Ajay Raina
Director
DIN : 02042979

Sd/-
Kirti Jain
Company Secretary



OTHER FINANCIAL INFORMATION

For Details on other financial information please refer to “Ratios” on page under the chapter titled Financial Statements as Restated beginning on page 185 of this Draft Red Herring Prospectus.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 24, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated July 18, 2024 which is included in this Draft Red Herring Prospectus under the section titled "*Financial Statement as Restated*" beginning on page 185 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "*Risk Factors*" and "*Forward Looking Statements*" beginning on pages 24 and 16 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled "*Presentation of Financial, Industry and Market data*" beginning on page 14 of this Draft Red Herring Prospectus.

BUSINESS OVERVIEW

Our Company was incorporated as Apex Ecotech Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 01, 2009, in Maharashtra- Pune. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024, and the name of our Company was changed from "Apex Ecotech Private Limited" to "Apex Ecotech Limited" vide a fresh Certificate of Incorporation dated July 02, 2024 having CIN U29299PN2009PLC133737 issued by the Registrar of Companies, Maharashtra- Pune. The registered office of our company is situated at Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017, India.

Our Company, Apex Ecotech Limited, led by a team of engineering professionals, offers comprehensive solutions for water & wastewater management. Our integrated system solutions cover a wide range of services including Industrial Water Treatment, Wastewater/ Effluent Treatment, Sewage Treatment, Zero Liquid Discharge. Our Company involved in distributing a sustainable and cost-effective solution for water purification and water desalination system.

At Apex Ecotech Limited, we specialize in delivering turnkey projects in the field of water & wastewater treatment, offering efficient solutions for wastewater recycling and zero liquid discharge (ZLD) systems. Our



Company provides end-to-end EPC solutions to the client by offering comprehensive scope involving designing, supplying, installation, testing, commissioning and O&M services.

For further details on business of the Company refer to section titled “Our Business” beginning on page 122 of this Draft Red Herring Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR ENDED MARCH 31, 2024

As per mutual discussion between the Board of the Company and BRLM, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- Subsequent to shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on March 26, 2024, and vide a fresh Certificate of Incorporation dated July 02, 2024, the Company get converted into public limited company and the name of our Company was changed from “Apex Ecotech Private Limited” to “Apex Ecotech Limited”.
- The Board of Directors of our Company has issued 87,17,400 equity shares as Bonus Issue in the ratio of 9:1 in the board meeting dated July 06, 2024, subject to the approval of members by ordinary Resolution.
- The Board of Directors of our Company has approved and passed a resolution on July 06, 2024, to authorize the Board of Directors to approve the Initial Public Offer.
- The Board of Directors of our Company pursuant to board resolution dated July 06, 2024, shifted the registered office of our Company from B-201, Divya Heights, Rahatani, S No. 5, Jagtap Dairy Road, Pune, Maharashtra, 411017 to Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune, Maharashtra-411017.
- The Board of Directors of our Company has allotted 87,17,400 equity shares as Bonus Issue in the ratio of 9:1 in the board meeting dated July 18, 2024.
- The Board of Directors has increased the Remuneration limit of Managerial Persons in the board meeting dated July 18, 2024. Further it is approved by Member in the Extra-ordinary General Meeting held on July 20, 2024.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factor**” beginning on page 24 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies.
- Company’s results of operations and financial performance.
- Our ability to attract and retain qualified Personnel.
- Our success depends on the continued services and performance of the members of our management team and other key employees.
- We rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement materials
- Increase in the prices of construction materials and labour & works contact charges.
- Market fluctuations and industry dynamics are beyond our control.

- Failure to adapt to the changing needs of industry and in particular government policies and regulations may adversely affect our business and financial condition;
- Unfavorable economic development.
- Our ability to successfully execute our growth strategies.
- General Economic and Market Conditions.
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.

SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer “Significant Accounting Policies”, under Chapter titled Financial Statement as Restated beginning on page 185 respectively of the Draft Red Herring Prospectus.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Statement as Restated” on page 185 of this Draft Red Herring Prospectus, there has been no change in the accounting policies during the Fiscal 2024.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors’ report on restated financial statements.

SUMMARY OF THE RESULT OF OPERATIONS

Our Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the financial results of the company.

Amount in ₹ lakhs

| Particulars | For the financial year ended | | | | | |
|--|------------------------------|----------------|-----------------|----------------|-----------------|----------------|
| | March 31, 2024 | (%)* | March 31, 2023 | (%)* | March 31, 2022 | (%)* |
| Total Revenue: | | | | | | |
| Revenue from Operations | 5,308.09 | 99.28% | 3,457.38 | 99.01% | 1,951.18 | 97.42% |
| Other income | 38.40 | 0.72% | 34.68 | 0.99% | 51.68 | 2.58% |
| Total Revenue | 5,346.49 | 100.00% | 3,492.06 | 100.00% | 2,002.86 | 100.00% |
| Expenses: | | | | | | |
| Cost of material consumed | 3,622.38 | 67.75% | 2,286.46 | 65.48% | 1,268.02 | 63.31% |
| Changes in inventories of work-in-progress | - | 0.00% | - | 0.00% | 79.87 | 3.99% |
| Employees Benefit Expenses | 467.78 | 8.75% | 498.63 | 14.28% | 465.51 | 23.24% |
| Finance cost | 5.76 | 0.11% | 9.43 | 0.27% | 24.50 | 1.22% |
| Depreciation | 22.92 | 0.43% | 27.77 | 0.80% | 36.06 | 1.80% |
| Other expenses | 329.85 | 6.17% | 253.74 | 7.27% | 180.92 | 9.03% |
| Total Expenses | 4,448.69 | 83.21% | 3,076.02 | 88.09% | 2,054.88 | 102.60% |



| | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Profit before extraordinary items and tax | 897.80 | 16.79% | 416.04 | 11.91% | -52.02 | -2.60% |
| Extraordinary Items | - | 0.00% | - | 0.00% | - | 0.00% |
| Profit/(Loss) Before Tax | 897.80 | 16.79% | 416.04 | 11.91% | -52.02 | -2.60% |
| Tax Expenses | | | | | | |
| Current tax | 235.10 | 4.40% | 59.76 | 1.71% | - | 0.00% |
| Taxes of Earlier years | -0.52 | -0.01% | -5.99 | -0.17% | - | 0.00% |
| Deferred Tax | 0.86 | 0.02% | 1.81 | 0.05% | 13.83 | -0.69% |
| Total Tax Expenses | 234.76 | -4.39% | 63.94 | -1.83% | 13.83 | -0.69% |
| Profit/(loss) After Tax | 663.04 | 12.40% | 352.10 | 10.08% | -65.86 | -3.29% |

*(%) column represents percentage of total revenue.

Overview of Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenues

◆ Revenue of operations:

Our Company's revenue is primarily generated from sale of products and supply of services which primarily includes Erection, Commissioning & Servicing, Operation & Maintenance in Water Supply & Management Industry.

◆ Other Income:

The Other Income mainly comprises of Interest Received, Settlement Amount Received, Freight Carriage and Forwarding Charges, Balance Written Off and Foreign Exchange Fluctuation Gain.

Expenses

Our expenses primarily consist of Cost of material consumed, Change in inventories of WIP, Employee Benefits Expenses, Finance Cost, Depreciation, and Other Expenses.

◆ Cost of material consumed

It includes opening stock of raw materials, Purchases made during the year, closing stock of raw material and Direct expenses.

◆ Changes in Inventories of Work in Progress

It is the difference of Closing Stock and Opening Stock of Work in Progress.

◆ Employment Benefit Expenses

It includes Salaries, wages and bonus (includes provision of gratuity), Director's Remuneration, Contribution to Provident Fund and Other Funds and Staff Welfare Expense related to Employees.

◆ **Finance Costs**

Finance cost consist of interest expenses on borrowings and Limit Renewal and Processing Charges.

◆ **Depreciation**

It includes Depreciation on Computers, Vehicles, Plant & Machinery, Office Equipment, Furniture & Fixtures and Software.

◆ **Other Expenses**

Other expense mainly comprises of expenses related to Carriage Outwards, Conveyance & Petrol Expenses, Site Expenses, Travelling Expenses, Rent, Rates & Taxes, Telephone, Internet & Postage Expenses, Legal, Professional & Consultancy Charges and Payment to Auditors.

◆ **Tax Expenses**

Tax expense comprises of Current Tax, Tax of Earlier Year, and Deferred Tax.

FINANCIAL YEAR 2023-24 COMPARED WITH THE FINANCIAL YEAR 2022-23 (BASED ON RESTATED FINANCIAL STATEMENTS)

Total Revenues

◆ **Total Income**

Our total revenue increased by 53.10% to ₹ 5,346.49 lakh for the financial year 2023-24 from ₹ 3,492.06 lakh for the financial year 2022-23 due to the factors described below:

◆ **Revenue of operations**

Our revenue from operations increased by 53.53% to ₹ 5,308.09 lakh for the financial year 2023-24 from ₹ 3,457.38 lakh for the financial year 2022-23. The revenue breakup is as follows:

| Revenue | Amount in ₹ lakhs | |
|------------------|-------------------|-----------------|
| | FY 2023-24 | FY 2022-23 |
| Sale of Products | 5,118.32 | 3,336.58 |
| Sale of Services | 189.77 | 120.80 |
| Total | 5,308.09 | 3,457.38 |

◆ **Other Income**

The other income increased by 10.74% to ₹38.40 Lakhs for the financial Year 2023-24 from ₹ 34.68 lakhs for the financial year 2022-23. The increase was mainly due to increase in the Settlement amount received.

EXPENDITURE



◆ **Total Expenses**

Total Expenses increased by ₹ 1,372.67 lakhs and 44.62%, to ₹ 4,448.69 lakhs in the financial year ended March 31, 2024, from 3,076.02 lakhs in the financial year ended March 31, 2023. Our total expenses increased due to the factors described below:

◆ **Cost of material consumed**

The Cost of material consumed expenses in terms of value and percentage increased by ₹ 1,335.93 lakhs and 58.43% respectively from ₹ 2,286.46 lakhs in fiscal 2023 to ₹ 3,622.38 lakhs in fiscal 2024.

◆ **Changes in inventories of work in progress**

Changes in inventories of work in progress for the year ended March 31, 2024, and March 31, 2023, stood at Nil.

◆ **Employment Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage decreased by ₹ 30.85 lakhs and 6.19% to ₹ 467.78 lakhs in the Fiscal 2024 from ₹ 498.63 lakhs in the Fiscal 2023. Overall employee cost has decreased due to lower Director's Remuneration withdrawn.

◆ **Finance Cost**

Finance cost in terms of value and percentage decreased by ₹ 3.67 lakhs and 38.94% to ₹ 5.76 lakhs in the Fiscal 2024 from ₹ 9.43 lakhs in the Fiscal 2023. Overall finance cost has decreased due to lower borrowings in the fiscal 2024 as compared to fiscal 2023.

◆ **Depreciation**

Depreciation in terms of value decreased by ₹ 4.85 lakhs and 17.47 % from ₹ 27.77 lakhs in the Fiscal 2023 to ₹ 22.92 lakhs in the Fiscal 2024. Depreciation has been decreased because of lower depreciation charges in fiscal 2024.

◆ **Other Expenses**

Other Expenses in terms of value and percentage increased by ₹ 76.11 lakhs and 30.00% from ₹ 253.74 lakhs in the Fiscal 2023 to ₹ 329.85 lakhs in the Fiscal 2024. Other Expenses has increased mainly due to increase in the Carriage Outwards and Site Expenses.

◆ **Profit before Tax**

Profit before tax has increased by ₹ 481.76 lakhs and 115.80% from ₹ 416.04 lakhs in the Fiscal 2023 to ₹ 897.80 Lakhs in the Fiscal 2024. Profit before Tax has increased due to increased revenue.

◆ **Tax Expenses**

Tax Expenses on for the year ended March 31, 2024, stood at ₹235.10 lakhs out of which current year tax is ₹ 235.10 lakhs, Taxes of Earlier Years is ₹ -0.52 lakhs and Deferred Tax is ₹ 0.86 lakhs, the Total Tax expense being -4.39% of the Total Income.

◆ Net Profit after Tax

Net Profit After Tax has increased by ₹ 310.94 Lakhs and 88.31 % from ₹ 352.10 lakhs in Fiscal 2023 to profit of ₹ 663.04 lakhs in the Fiscal 2024. The increase was due to increased revenue.

FISCAL YEAR ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

◆ Total Revenue

Total Income for the period ended March 31, 2023, stood at ₹ 3,489.42 lakhs whereas in Financial Year 2021-22 it stood at ₹ 1,998.70 lakhs representing an increase of 74.58%. due to the factors described below:

◆ Revenue from operations

Our revenue from operations increased by 77.19% to ₹ 3457.38 lakhs for the financial year 2022-23 from ₹ 1951.18 lakhs for the financial year 2021-22. Revenue from operation increased primarily because of increase in sales of products as compared to previous financial year. Revenue breakup of the same is as follows: The revenue breakup is as follows:

| Revenue | Amount in ₹ lakhs | |
|--------------------|-------------------|-----------------|
| | FY 2022-23 | FY 2021-22 |
| Sales of Products | 3,336.58 | 1,471.38 |
| Supply of Services | 120.80 | 479.81 |
| TOTAL | 3,457.38 | 1,951.18 |

◆ Other Income

The other income decreased by 32.90% to ₹ 34.68 lakhs for the financial Year 2022-23 from ₹ 51.68 lakhs for the financial year 2021-22. During the fiscal 2022 and 2023, the decrease was mainly due to Nil earnings from profit on sale of fixed assets in financial year 2022-23.

Total Expenses

Total Expenses increased by ₹ 1,021.14 lakhs and 49.69%, from ₹ 2,054.88 lakhs in the financial year ended March 31, 2022, to ₹ 3,076.02 lakhs in the financial year ended March 31, 2023. Our total expenses increased due to the factors described below:

◆ Cost of material consumed

Cost of material consumed for the year ended March 31, 2023, stood at ₹ 2,286.46 lakhs whereas in FY ended March 31, 2022 it stood at ₹ 1,268.02 lakhs representing an increase of 80.32%. As the company undergoes expansion in its operations and enters a growth stage, there is a notable rise in consumption costs, driven mainly due to higher purchases of raw materials during the years.



◆ **Changes in Inventories of Work-in-Progress**

The changes in inventories of work-in-progress for the Fiscal 2023 were Nil as compared to ₹ 79.87 lakhs for the Fiscal 2022.

◆ **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by ₹ 33.12 lakhs from ₹ 465.51 lakhs in the Fiscal 2022 to ₹ 498.63 lakhs in the fiscal 2023. overall employee cost has increased due to increase in director's remuneration.

◆ **Finance Cost**

Finance Cost in terms of value and percentage decreased by ₹ 15.07 lakhs and 61.50% from ₹ 24.50 lakhs in the fiscal 2022 to ₹ 9.43 lakhs in the fiscal 2023. Overall finance cost has decreased due to lower borrowings in the fiscal 2023 as compared to fiscal 2022.

◆ **Depreciation**

The Depreciation for the year ended March 31, 2023, stood at ₹ 27.77 lakhs whereas in financial year 2021-22 it stood at ₹ 36.06 lakhs representing decrease of 23.00%. Depreciation has been decreased because of lower depreciation charges in fiscal 2023.

◆ **Other Expenses**

Other Expenses in terms of value and percentage increased by ₹ 72.82 lakhs and 40.25% from ₹ 180.92 lakhs in the Fiscal 2022 to ₹ 253.74 lakhs in the Fiscal 2023. Other Expenses has increased mainly due to Bad Debts written off in fiscal 2023 and increase in Travelling Expenses, Conveyance & Petrol Expenses, Site Expenses and Business Promotion Expenses.

◆ **Profit Before Tax**

Profit before tax has increased by ₹ 468.06 lakhs from ₹ -52.02 lakhs in the Fiscal 2022 to ₹ 416.04 lakhs in the Fiscal 2023. Profit before Tax has increased due to increase revenue.

◆ **Tax Expense**

Our tax expenses increased by ₹ 50.11 lakhs from ₹ 13.83 lakhs in FY ended March 31, 2022 to ₹ 63.94 lakhs in FY ended March 31, 2023.

◆ **Net Profit After Tax**

Net Profit has increased by ₹ 417.95 lakhs from loss of ₹ 65.86 lakhs in Fiscal 2022 to profit of ₹ 352.10 lakhs in the Fiscal 2023.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to Director's Remuneration, Salary & Wages, Loan taken and repaid, and Rent of Office. For further details of related parties kindly refer chapter titled "Financial Statement as Restated" beginning on page 185 of this Draft Red Herring Prospectus.

INFORMATION REQUIRED AS PER ITEM (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled Risk Factors beginning on page 24 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in this Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 24 and 211, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from Sales of Products and Supply of Services in Water Supply & Management Industry.

5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company's future costs and revenues can be indirectly impacted by an increase in employees benefit costs as the company require more employee in future.

6. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian/ State Government Policies, foreign exchange rates and interest rates quoted by banks & others.

7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in our revenues are by and large linked to increases in the volume of business.



8. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in Water Supply & Management Industry. Relevant industry data, as available, has been included in the chapter titled “Industry Overview” beginning on page 106 of this Draft Red Herring Prospectus.

9. Status of any publicly announced new products or business segments.

Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Draft Red Herring Prospectus.

10. The extent to which the business is seasonal

Our business is not seasonal in nature.

11. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. Over a period of time, we have developed certain competitive strengths which have been discussed in section titled Our Business on page 122 of this Draft Red Herring Prospectus.

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FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or up to such amount subject to members approval from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on March 31, 2024 our Company has outstanding amount of secured borrowings from banks and financial institutions are ₹ 42.13/- Lakhs, for further details refer chapter titled "Financial Statements" beginning on page no. 185 of this Draft Red Herring Prospectus.

Summary of financial indebtedness of our company as on March 31, 2024:

(Rs. in Lakhs)

| Nature of Borrowing | Amount as on March 31, 2024 |
|---------------------|-----------------------------|
| Secured Borrowing | 42.13 |
| Unsecured Borrowing | Nil |

Secured Loan

(Rs. in Lakhs)

| S. No | Name of Lender | Nature of Facility | Sanctioned Loan ₹ In Lakhs | Outstanding As On 31st March, 2024 | Rate of Interest/ Margin | Repayment Terms | Security/ Principal Terms And Conditions |
|-------|------------------------------|--------------------|----------------------------|------------------------------------|--------------------------|-----------------|--|
| 1 | Kotak Mahindra Prime Limited | Vehicle loan | 35.58 | 13.96 | 7.55% | 60 EMI's | Hypothecation of same vehicle |
| 2 | YES Bank | Vehicle loan | 20.64 | 5.83 | 8.90% | 84 EMI's | Hypothecation of same vehicle |
| 3 | ICICI Bank Limited | Vehicle loan | 22.13 | 6.45 | 8.50% | 60 EMI's | Hypothecation of same vehicle |
| 4 | Kotak Mahindra Prime Limited | Vehicle loan | 22.49 | 12.58 | 7.28% | 60 EMI's | Hypothecation of same vehicle |
| 5 | Bank of India | Vehicle loan | 0.6 | 0.54 | 8.85% | 36 EMI's | Hypothecation of same vehicle |
| 6. | Bank of India | Vehicle loan | 0.62 | 0.56 | 8.85% | 36 EMI's | Hypothecation of same vehicle |
| 7. | Bank of India | Vehicle loan | 0.8 | 0.72 | 8.85% | 36 EMI's | Hypothecation of same vehicle |



| | | | | | | | |
|----|---------------|--------------|------|------|-------|----------|-------------------------------|
| 8. | Bank of India | Vehicle loan | 0.62 | 0.56 | 8.85% | 36 EMI's | Hypothecation of same vehicle |
| 9. | Bank of India | Vehicle loan | 1 | 0.95 | 8.85% | 36 EMI's | Hypothecation of same vehicle |

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SECTION X - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company and our Directors are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as stated in this section, there are no:

(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; and (v) Material Litigation (as defined below); involving our Company, Directors or Promoters.

*Our Board of Directors, in its meeting held on March 02, 2024, determined that outstanding litigation involving our Company, its directors, joint venture(s) and directors shall be considered material (“**Material Litigation**”) if:*

- *The monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending litigation is equal to or in excess of 10% of the revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year;*

or

- *where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and*
- *any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.*

*Our Board of Directors, in its meeting held on March 02, 2024, determined that outstanding dues of the Company and the nature and extent of the business operations undertaken by the Company, the dues owed by the Company to the small-scale undertakings and other creditors exceeding 10% of the total consolidated trade payables of the Company as per the latest audited financial statements of the Company shall be considered as material dues (“**Material Dues**”) for the Company and be disclosed in the Draft Red Herring Prospectus.*

Our Company, its Directors and its Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

A. LITIGATION INVOLVING OUR COMPANY:

LITIGATIONS AGAINST OUR COMPANY:

(i). All criminal proceedings:

Nil

(ii). All actions by regulatory authorities and statutory authorities:

Nil



(iii). **Claims related to direct and indirect taxes:**

- **Direct Tax:**
- **Income Tax:**

Income Tax notices issued against Apex Ecotech Limited (formerly known as Apex Ecotech Pvt. Ltd. having PAN AAHCA6649M)

1. Demand of ₹ 43,020/- outstanding on the Income Tax Portal which pertains to Assessment Year: 2022 having Demand Reference No: 2023202237246234500C. Appeal filed by the taxpayer with e-Filing Acknowledgement Number 181096740200424 on date 20-Apr-2024.
2. First Appeal Proceedings pending for Assessment Year: 2022-23 with Letter No: ITBA/NFAC/S/62/2024-25/1064531331(1) Dated: 01/05/2024.
3. Assessment order dated 22.03.2024 passed u/s 143(3) read with section 144B of Income Tax Act 1961 for AY 2022-23, wherein an addition amounting to Rs. 11,29,831/- was made on account of disallowance of certain expenses. Consequently, a demand of Rs. 43,020/- was determined in notice dated 22.03.2024 issued u/s 156.
4. Penalty Proceedings pending for Assessment Year: 2022-23 with ITBA/PNL/F/270A/2024 25/1064446193(1) on date 30/04/2024 where Show Cause Notice for penalty under section 270A of the Income-tax Act, 1961 issued. Appeal filed by the taxpayer with e-Filing Acknowledgement Number 181096740200424 on date 20-Apr-2024 with disputed amount of ₹ 43,020/- company responded to the department that aggrieved by the above assessment order, assessee company has filed an appeal u/s 246A before Commissioner of Income Tax (Appeals) further Notice for Penalty under section 274 read with section 270A of the Income-tax Act, 1961 issued for under reporting of income, company responded to the department that aggrieved by the above assessment order, assessee company has filed an appeal u/s 246A before Commissioner of Income Tax (Appeals).
5. Notice for adjustment u/s 143(1)a issued for assessment year 2020-21, Proceedings, Prescribed Time Limit u/s 143(1)(a) for submission of response has lapsed. ITR for the assessment year mentioned above was later filed and processed.
6. Hearing Notice u/s 250 issued with reference no. ITBA/NFAC/S/62/2022-23/1046655860(1), ITBA/NFAC/F/APL_1/2020-21/1029331845(1), ITBA/NFAC/F/APL_1/2020-21/1029328765(1), AND ITBA /APL/S/APL_1/2019-2020/1023729169(1)
7. Demand of Rs. 3,95,110/- outstanding on the Income Tax Portal which pertains to AY 2011-12 was raised on account of the penalty order dated 11.01.2018 passed u/s 271(1)(c) of the Income Tax Act 1961, wherein a penalty of Rs. 3,95,110/- was levied. Aggrieved by above penalty order, the assessee company filed an appeal before Commissioner of Income Tax (Appeals) – 1, Pune wherein the Appellate Authority vide order dated 26.04.2019 decided in favor of assessee company and deleted the penalty levied. Consequently, an appeal effect application was filed to the office of concerned authorities vide letter dated 26.04.2019 requesting to give appeal effect to the above appellate order. AO's response being Not Collectable. However, the demand is still displayed as outstanding on the Income Tax portal.

8. Notice for adjustment u/s 143(1)a issued for assessment year 2022-23, Proceedings, with dispute amount being ₹2,62,210/- where tax payer disagreed with the department and replied that the assessee company has inadvertently disallowed the above expenses under Sr. No. 6(f) of Part-OI [Section 36 (1) (iv)] instead of specifically disallowing it under Sr. No. 6(k) pf Part-OI [Section 36 (1) (va)]. ITR for the assessment year mentioned above was later filed and processed.
9. Notice for adjustment u/s 143(1)a issued for assessment year 2021-22, Proceedings, Document Identification Number (DIN) : EFL/2122/G22/ITR000221644209with dispute amount being ₹6,79,324/-where tax payer disagreed with the department and replied that the Assessee has already added/ disallowed Interest payable under section 23 of the Micro, Small and Medium Enterprises Development Act,2006 amounting to Rs. 6,79,324/- under Sl.no. 15 of schedule BP instead of specifically adding/ disallowing it under Sl.no. 15 of schedule BP, ITR for the assessment year mentioned above was later filed and processed
10. Notice for adjustment u/s 143(1)a issued for assessment year 2019-20, Proceedings, Document Identification Number (DIN) : CPC/1920/G22/1967071225 with dispute amount being ₹8,82,400/-with remarks Schedule BP, Sl.No.14. Amounts debited to the profit and loss account, to the extent disallowable under section 36 (6s of Part A-OI) is not consistent with amount shown in Sl.No.6.s. Total amount disallowable under section 36 (total of 6a to 6r) of Part-OI. And Any sum received from employees as contribution to any provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date [36(1)(va)] response Submitted with department. ITR for the assessment year mentioned above was later filed and processed
11. Notice for adjustment u/s 143(1)a issued for assessment year 2019-20, Proceedings, Communication Reference No. CPC/1819/G22/1875720046with dispute amount being ₹7,52,538/- with remarks Any sum received from employees as contribution to any provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date. ITR for the assessment year mentioned above was later filed and processed
12. Demand issued with Demand Reference no. 2023201637002182932C for Rs 38,925/- for AY 2016 U/s 220(2). However, the said amount has been adjusted by the refund of A.Y. 2023-24 vide intimation u/s 245 CPC/2324/G8a/408490789 dated 12-12-2023 vide communication dated 24-Jan-2024.

- **Indirect Tax**
- **Goods and Services Tax**

GST notices issued against Apex Ecotech Pvt. Ltd. having GST number 07AAHCA6649M1Z5 for Delhi

Notice for intimating discrepancies in return form GST ASMT –10 with Reference No.: ZD071122004652Z Dated 15/11/2022 for F.Y.: 2017-2018 Notice issued as per the GSTR-2A and GSTR-3B returns for the F.Y 2017-18 there is mismatch of Rs 1,44,924/-

Current Stage: Reply Furnished, Pending for action by tax officer.

GST notices issued against Apex Ecotech Pvt. Ltd. having GST number 24AAHCA6649M2Z8 for Gujarat, Vadodara



Notice to return defaulter u/s 46 for not filing return Tax Period: December, 2021-22 with Reference No: ZA2401221801535, However filed later

Notice to return defaulter u/s 46 for not filing return Tax Period: September, 2021-22 with Reference No: ZA2410211883510, However filed later

GST notices issued against Apex Ecotech Pvt. Ltd. having GST number 27AAHCA6649M1Z3 for Maharashtra, Bhosari

Notice for intimating discrepancies in return form GST ASMT –10 with disputed amount of Rs 2,59,772.50/- with Reference No.: ZD270721028048H U/s 61 MGST ACT 2017 Rule 99(1), reply made by company.

Current Stage: Reply Furnished, recommended for action u/s 73.

Notice issued for conducting Audit u/s 65(3) of books of account and records for the financial year from 01/04/2020 to 31/03/2021 with Ref No.: DCST/E-002/ADT-01/ APEX /2020-21/2024-25/B- 240

Other Matters based on Materiality Policy of our Company:

M/s Positive Metering Pvt Ltd VS. Apex Ecotech Pvt. Ltd.

Court Name: MSME Nasik and District Judge, Nasik

Case no.: JDIN/IFC/2016/1722 and Mics Arbitration application 110/2019

Fact of the case: The Company had appealed to District Judge Nasik against the Rs. 3.20 Lakhs award issued by the Micro & Small Enterprises Facilitation Council, Nasik Division on November 16, 2018. Previously, M/s Positive Metering Pumps Pvt Ltd had initiated conciliation proceedings under Section 18 of the Micro, Small and Medium Enterprises Development Act, 2006, citing non-payment of a principal amount of Rs. 2.64 Lakhs along with interest of Rs. 0.38 Lakhs. This Rs. 3.20 Lakhs is reflected in the Trade Payables under Schedule 5 of the Balance Sheet.

Brief of the case: M/s Positive Metering Pumps filed complaint to MSME against for payments against Invoices later Apex infotech moved an appeal in District court Nasik, which is however dismissed.

Current Stage: The Nasik district court has dismissed the company's appeal. Despite this, no claim has been raised by the opposing party to date.

Next date of Hearing: Not Applicable

MKY Enterprises Pvt. Ltd. Vs M/S Apex Ecotech Pvt. Ltd.

Court Name: Saket District Court

Case no.: CT CASES/635129/2016

Fact of the case: MKY Enterprises Pvt. Ltd. has initiated a complaint against payment of Rs. 10,74,856/- towards the unpaid invoices under Section 138 of the Negotiable Instrument Act, 1881. However, no summons have been issued to M/S Apex Ecotech Pvt. Ltd. yet.

Brief of the case: Complaint under section 138 NI Act filed against Apex ecotech Pvt Ltd against payment of Rs. 10,74,856/- towards the unpaid invoices.

Current Stage: The case is at the Pre-Summoning Stage awaiting the court's decision to take cognizance.

Next date of Hearing: 29.07.2024.

Asset Reconstruction Company (India) Ltd. Vs. Uday Estates Pvt. Ltd.

Court Name: NCLT, NEW DELHI

Case no.: I.A. No. 4814/2022 in IB-393 (ND)/2021

Fact of the case: Nilesh Sharma, the Resolution Professional of Uday Estates Pvt. Ltd., has filed an interim application under Section 66 read with 60(5) of The Insolvency and Bankruptcy Code, 2016, against M/S Apex Ecotech Pvt. Ltd., identified as Respondent No. 17 in this matter. The Applicant alleges fraudulent transactions between the Corporate Debtor, Uday Estates Pvt. Ltd., and M/S Apex Ecotech Pvt. Ltd, aimed at defrauding creditors during the corporate insolvency resolution process of the Corporate Debtor. M/S Apex Ecotech Pvt. Ltd has responded by filing its reply to the application.

Brief of the case: Resolution Professional of Uday Estates Pvt. Ltd., has filed an interim application under Section 66 read with 60(5) of The Insolvency and Bankruptcy Code, 2016, against M/S Apex Ecotech Pvt. Ltd., identified as Respondent No. 17 in this matter.

Current Stage: The matter is scheduled for instructions from the Hon'ble Tribunal.

Next date of Hearing: 30.07.2024.

State VS. Apex Ecotech Pvt. Ltd.

Court Name: Metropolitan Magistrate, South, Saket

Case no.: TC/6913/2022

Fact of the case: Challan issued against a vehicle of Company U/s 183 of Motor Vehicle Act for over speeding.

Brief of the case: Challan issued against a vehicle of Company U/s 183 of Motor Vehicle Act for over speeding.

Current Stage: listed for Appearance



Next date of Hearing: 04.10.2024

(iv). Disciplinary action taken by SEBI or Stock Exchanges

As on the date of this Prospectus, no disciplinary action by the SEBI or Stock Exchanges initiated against our Company.

LITIGATION FILED BY OUR COMPANY:

(i). All criminal proceedings:

Nil

(ii). Other Matters based on Materiality Policy of our Company:

1. Apex Ecotech Pvt. Ltd. vs. Vishesh Woollen Mills Pvt. Ltd.

Court Name: ADJ, District North, Rohini

Case no.: CS DJ 1070/17

Fact of the case: The company has taken legal recourse by filing a suit against M/s Vishesh Wollen Mills to recover an amount of Rs. 3.62 Lakhs, which represents the outstanding balance owed for the supply of an STP 200 KLD (Sewage Treatment Plant, capacity 200,000 liters per day). In addition to this principal amount, an interest of Rs. 2.12 Lakhs is being claimed.

Brief of the case: Recovery suit filed against M/s Vishesh Wollen Mills to recover an amount of Rs. 3.62 Lakhs along with interest.

Current Stage: Matter is at the stage of Final arguments

Next date of Hearing: 02.08.2024.

2. Apex Ecotech Pvt. Ltd. Vs DLF home developers limited

Court Name: Saket courts, New Delhi

Case no.: CS (comm) 72/22

Fact of the case:

The company has initiated legal action against M/s DLF Home Developers Limited to recover a total of Rs. 47.49 Lakhs. This amount includes a principal sum of Rs. 11.89 Lakhs and additional damages and interest totalling Rs. 35.60 Lakhs against design, supply, installation, testing & commissioning of the water treatment plant works at the site of the defendant.

Brief of the case: Recovery suit filed against M/s DLF Home Developers Limited to recover a total of Rs. 47.49 Lakhs along with interest.

Current Stage: Defendant has filed written statement and application u/s. 8 of Arbitration and Conciliation Act. Listed for order on application

Next date of Hearing: 30.07.2024.

3. Apex Ecotech Pvt. Ltd. Vs Vinod Jaganath Patel

Court Name: Pimpri

Case no.: 2331/2016 & 2332/2016

Fact of the case: The company has filed two suits against Mr. Vinod Patel, the proprietor of M/s Extreme Automation, under Section 138 of the Negotiable Instruments Act, 1881. The total amount claimed in these suits is Rs. 4.28 Lakhs. The cases are currently pending in the court of the Judicial Magistrate First Class in Pimpri.

Brief of the case: Complaint under section 138 NI Act filed against Mr. Vinod Patel, the proprietor of M/s Extreme Automation for payment of Rs. 4,23,498/- towards the unpaid Cheques

Current Stage: the court has duly issued summons against the accused, Mr. Vinod Patel.

Next date of Hearing: 01.08.2024.

B. LITIGATION INVOLVING OUR PROMOTERS:

LITIGATIONS AGAINST OUR PROMOTERS:

(i). All criminal proceedings:

Nil

(ii). All actions by regulatory authorities and statutory authorities:

Nil

(iii). Disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years including outstanding action:

Nil

(iv). Claims related to direct and indirect taxes:

Nil

(v). Other Matters based on Materiality Policy of our Company:

Nil

LITIGATION FILED BY OUR PROMOTERS:

(i). All criminal proceedings:

Nil

(iii). Other Matters based on Materiality Policy of our Company:

Nil



C. LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS):

LITIGATIONS AGAINST OUR DIRECTORS (OTHER THAN PROMOTERS):

(i). All criminal proceedings:

Nil

(ii). All actions by regulatory authorities and statutory authorities:

Nil

(iii). Claims related to direct and indirect taxes:

• **Direct Tax:**

As per website of Income Tax, there are no open E Proceedings involving Directors (Other than Promoters).

• **Income Tax:**

Nil

(iv). Other Matters based on Materiality Policy of our Company:

Nil

LITIGATION FILED BY OUR DIRECTORS (OTHER THAN PROMOTERS):

(i). All criminal proceedings:

Nil

(ii). Tax Proceedings:

Income Tax notices issued against Neeraj Bhagat having PAN AALPB5464G

Notice for Adjustment u/143(1)(a) for assessment year 2018-19 was issued, ITR for the assessment year mentioned above was later filed and processed.

First appeal Proceedings dated 17th January 2023 for Assessment year 2020-21 still open.

(iii) Other Matters based on Materiality Policy of our Company:

Nil

D. Other litigations involving any other entities which may have a material adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings

including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

E. Details of the past penalties imposed on our Company/ Director

Except as disclosed above as on the date of this Draft Red Herring Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

F. OUTSTANDINGS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES OR ANY OTHER CREDITORS:

In accordance with our Company’s materiality policy, below are the details of the Creditors where there are outstanding amounts as on March 31, 2024:

| S. No. | Type of creditor | No. of creditors | Amount outstanding (in ₹ lakhs) |
|--------|---|------------------|---------------------------------|
| 1. | Dues to micro, small and medium enterprises | 344.86 | 178.67 |
| 2. | Dues to other creditors | 28.83 | 88.55 |
| | Total | 373.69 | 267.22 |

G. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET:

Except as mentioned under the chapter - “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 211 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

We certify that except as stated herein above:

- a. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group entities, companies promoted by the promoters during the past three years.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.



- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of our promoters, group company's entities, entities promoted by the promoters of our company.
- i. There are no status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.
- j. The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- k. Neither the Company nor any of its promoters or directors is a willful defaulter.

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GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various government agencies/regulatory authorities/certification bodies required for our present business, as applicable on the date of this Draft Red Herring Prospectus and except as mentioned below.

On the basis of the list of material approvals provided below, our Company can undertake the Issue and its current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. For further details, in connection with the applicable regulatory and legal framework, kindly refer “Key Industry Regulation and Policies” on page 144.

APPROVALS FOR THE ISSUE

1. Our Board have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on July 06, 2024, authorized the Issue, subject to the approval of the shareholders and other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra-ordinary General Meeting held on July 11, 2024 authorized the Issue.
3. Our Company has obtained in-principle approval dated [●] from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. We have received NOC from our lender/ banker Bank of India dated on June 27, 2024.

INCORPORATION DETAILS

1. Corporate Identity Number: U29299PN2009PLC133737.
2. Certificate of Incorporation dated April 01, 2009, issued by the Registrar of Companies, Pune in the name of Apex Ecotech Private Limited.
3. Fresh Certificate of Incorporation dated July 02, 2024 issued by the Registrar of Companies, Central Processing Unit consequent upon conversion to public Company to Apex Ecotech Limited.

APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

A. Under Direct and Indirect Laws



| Sr. No. | Description | Registration Number | Applicable Laws | Authority | Date of Certificate | Date of Expiry |
|---------|--|---------------------|---|--|---------------------|----------------------|
| 1 | Permanent Account Number (PAN) | AAHCA6649M | Income Tax Act, 1961 | Income Tax Department, Government of India | April 01, 2009 | Valid till cancelled |
| 2 | Tax Deduction Account Number (TAN) | PNEA12208A | Income Tax Act, 1961 | Income Tax Department, Government of India | July 24, 2024 | Valid till cancelled |
| 3 | Certificate of Registration of Goods and Services Tax (Delhi) | 07AAHCA6649 M1Z5 | Centre Goods and Services Tax Act, 2017 | Assistant Commissioner of State Tax, Delhi | July 01, 2017 | Valid till cancelled |
| 4 | Certificate of Registration of Goods and Services Tax (Gujarat) | 24AAHCA6649 M2Z8 | Centre Goods and Services Tax Act, 2017 | Assistant Commissioner of State Tax, Gujarat | September 02, 2021 | Valid till cancelled |
| 5 | Certificate of Registration of Goods and Services Tax (Pune) | 27AAHCA6649 M1Z3 | Centre Goods and Services Tax Act, 2017 | Assistant Commissioner of State Tax, Pune | July 01, 2017 | Valid till cancelled |
| 7 | Registration under Maharashtra state tax on professions, Trades, Callings and Employment | 27715217527P | Maharashtra state tax on professions, Trades, Callings and Employment Act, 1975 | Maharashtra Sales Tax Department | Jan 04, 2009 | Valid till cancelled |
| 8 | Registration under Gujarat State Profession, Trade, Business and Employment Tax | 2100300570313 | Gujarat State Profession, Trade, Business and Employment Tax Act, 1976 | Gujarat Sales Tax Department | July 03, 2024 | Valid till cancelled |

B. Under Industrial and Labour Law

| Sr. No. | Description | Authority | Registration/ Certificate Number | Date of Issue | Date of Expiry |
|---------|--|---|----------------------------------|---------------|----------------|
| 1 | Certificate of Registration under the Employee | Deputy. Director, Employees' State Insurance Corporation, Okhla | 20-33-017049-001-0699 | 14.12.2010 | Perpetual |

| | | | | | |
|---|---|--|-----------------------|------------|------------|
| | State Insurance Act, 1948 | | | | |
| 2 | Certificate of Registration under the Employee State Insurance Act, 1948 | Deputy. Director, Employees' State Insurance Corporation, Pune | 33-17049-0699 | 30.09.2009 | Perpetual |
| 3 | Certificate of Registration under the Employee Provident Fund | Regional Provident Fund Commissioner | MH/PUN/302460 | 18.08.2009 | Perpetual |
| 4 | Registration Certificate of Shop or Commercial Establishment (Labour Department, Maharashtra) | Chief Inspector of Shops and Commercial Establishment, Maharashtra | 2031000313856308 | 07.02.2020 | 07.02.2030 |
| 5 | Registration Certificate of Shop or Commercial Establishment (Labour Department, Delhi) | Chief Inspector of Shops and Commercial Establishment, Delhi | 2024152224 | 25.07.2024 | |
| 6 | Legal Entity Identifier India Limited | Wholly Owned Subsidiary of Clearing Corporation of India Limited | 98450036AQCCPCF7E T19 | 21.09.2021 | 21.09.2024 |
| 7 | Udyam Registration Certificate | Ministry of Micro, Small and Medium Enterprises, Government of India | UDYAM-MH-26-0016008 | 10.09.2020 | Perpetual |

C. Other Approval

| Sr. No. | Description | Authority | Registration/ Certificate/ Membership Number | Date of Issue | Date of Expiry |
|---------|---|---------------------------------|--|-------------------|-------------------|
| 1 | Certificate of Registration for ISO 9001:2015 | Aambitious Assessment Pvt. Ltd. | QCO10122 | February 03, 2022 | February 02, 2025 |
| 2 | Certificate of Membership – Delhi Chamber of Commerce | Delhi Chamber of Commerce | 10945 | June 01, 2024 | March 31, 2025 |



INTELLECTUAL PROPERTIES

Following are the details of the Trademarks Registered in the name of our Company, in India:

| Sr. No. | Brand Name/Logo Trademark | Class | Trademark Type | Registration/ Application No. | Date of Application | Current Status |
|---------|---|-------|----------------|-------------------------------|---------------------|----------------|
| 1. |  | 40 | Device | 11034071 | 26.07.2024 | Applied |

DOMAIN NAME

| S. No. | Domain Name | Registry Domain ID | Registrant Name | Creation Date | Registry Expiry Date |
|--------|--|----------------------------|-----------------|---------------|----------------------|
| 1. | www.apxecotec.com | 1622288407_DOMAIN_COM-VRSN | eNOM, LLC | 26.10.2010 | 26.10.2027 |

Note:

- Except, the registration of our Gujarat office under Registration under The Shops and Establishment Act, our Company does not have any pending licenses, permissions, and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies which applied for but are not yet received.
- Some of the approvals are in the name of Apex Ecotech Private Limited and the Company is in the process of getting all the approvals in the new name of the Company i.e. Apex Ecotech Limited.

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SECTION XI –OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on July 06, 2024.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on July 11, 2024 and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Issue document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.
4. Our Board has approved this Draft Red Herring Prospectus through its resolution dated July 29, 2024.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Statutory Approvals*” beginning on page 233 of this Draft Red Herring Prospectus.
6. We have received NOC from our lender/ bankers:

| Name of the Bank/Lender | Date of NOC |
|-------------------------|---------------|
| Bank of India Limited | July 27, 2024 |

Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018



In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, and our Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

Directors associated with the Securities Market

We confirm that none of our directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post issue face value capital is more than Rs.1,000 Lakh, But up to Rs. 2,500 Lakh. Our Company also complies with the eligibility conditions laid by the Emerge Platform of NSE for listing of our Equity Shares.

We confirm that:

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue ***will be hundred percent underwritten and that the BRLM to the Issue will underwrite at least 15% of the Total Issue Size.*** For further details pertaining to said underwriting please refer to “General Information” Underwriting on page 59 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within Eight (8) 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) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the BRLM shall ensure that the Issuer shall file a copy of the Red Herring Prospectus/ Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “General Information”, “Details of the Market Making Arrangements for this Issue” on page 58 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board;
- f) In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, None of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;

- g) In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or fraudulent borrower.
- h) In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer's promoters 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 NSE and NSE is the Designated Stock Exchange.
- j) In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- l) In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

NSE ELIGIBILITY NORMS:

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on Emerge Platform of NSE India which states as follows:

1. The issuer should be a Company incorporated Under Companies Act, 1956/ 2013 in India.

Our company was incorporated on April 01, 2009, under the Companies Act, 1956.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital of the Company will be less than ₹ 25 crores.

3. Positive Net Worth.

Net worth of the Company as on March 31, 2024, is ₹ 1,473.56 Lakhs.

4. Track Record

A) The company should have a (combined) track record of at least 3 years.

Our Company got incorporated on April 01, 2009, therefore our company satisfies the track record criteria of 3 years.

B) The company should have operating profits (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive.



Amount in ₹ lakhs

| Particulars | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Operating profit (Earnings before interest, depreciation and tax) from operation | 888.07 | 418.56 | -43.14 |
| Net-Worth | 1,473.56 | 722.52 | 370.43 |

5. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent. The Company's shares bear an ISIN INE0T4V01015.

6. Company shall mandatorily have a website.

Our Company has a live and operational website is www.apexecotech.com.

7. Other Listing conditions:

- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE India for listing on Emerge Platform of NSE India.
- No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

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, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the NSE Emerge.

COMPLIANCE UNDER REGULATION 300 OF SEBI (ICDR) REGULATIONS

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE



FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website www.apexecotech.com & www.shareindia.com would be doing so at his or her own risk.

Caution

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, *etc.* The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.



Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs.2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Pune only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

Disclaimer Clause of the Emerge Platform of NSE



NSE has given vide its letter dated [●] permission to this Company to use its name in this issue document as one of the stock exchanges on which this company's securities are proposed to be listed on the Emerge Platform. NSE has scrutinized this issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. NSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this issue document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offer or will continue to be listed on NSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company.
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this issue document have been cleared or approved by NSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE, 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 for any other reason whatsoever.
- v. NSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this issue document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the Emerge platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by NSE / other regulatory authority. Any use of the Emerge platform and the related services are subject to Indian Laws and Courts exclusively situated in Pune.

DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those issue and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the BRLM to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to Annexure A to the Draft Red Herring Prospectus and the website of the BRLM at www.shareindia.com

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

ANNEXURE-A

Disclosure of Price Information of Past Issues Handled by Share India Capital Services Private Limited

TABLE 1

| Sr. No. | Issue Name | Issue Size (Amount in Crore) | Listing Date | Issue Price (₹) | Opening Price on Listing Date (₹) | +/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing |
|---|--|------------------------------|-------------------|-----------------|-----------------------------------|---|--|---|
| Initial Public Offering – Main Board | | | | | | | | |
| N.A. | | | | | | | | |
| Initial Public Offering – SME Issue | | | | | | | | |
| 1. | Anmol India Limited | 10.23 | February 21, 2019 | 33.00 | 33 | -1.82% 5.34% | -9.09% 10.02% | -9.70% 4.33% |
| 2. | Humming Bird Limited | 2.15 | March 28, 2019 | 132.00 | 132.00 | 6.82% 1.19% | -20.94% -1.88% | 6.82% 2.00% |
| 3. | Maiden Forgings Limited | 23.84 | April 06, 2023 | 63.00 | 59.86 | -4.33% -4.03% | 30.43% 9.36% | 100.40% 9.93% |
| 4. | Exhicon Events Media Solutions Limited | 21.12 | April 17, 2023 | 64.00 | 64.00 | 129.22% 4.40% | 241.64% 10.41% | 356% 15.78% |
| 5. | A G Universal Limited | 8.72 | April 24, 2023 | 60.00 | 60.00 | 18.33% 4.55% | -22.50% 12.11% | 8.17% 8.94% |
| 6. | Quicktouch Technologies Limited | 9.33 | May 02, 2023 | 61.00 | 92.00 | 110.90% 2.82% | 129.67% 9.00% | 252.54% 8.27% |
| 7. | De Neers Tools Limited | 22.99 | May 11, 2023 | 101.00 | 190.00 | 74.50% 2.35% | 142.57% 7.12% | 130.71% 7.85% |
| 8. | Krishca Strapping Solutions Ltd. | 17.93 | May 26, 2023 | 54.00 | 118.80 | 215.37% 1.70% | 419.44% 5.20% | 336.20% 7.44% |
| 9. | New Swan Multitech Ltd | 33.11 | January 18, 2024 | 66.00 | 125.4 | 44.47% 0.82% | 20.53% 2.98% | - - |
| 10. | Wise Travel India Ltd | 94.68 | February 19, 2024 | 147 | 204.75 | 29.73% -0.26% | 59.66% -0.90% | - - |

| | | | | | | | | |
|-----|-------------------------------|-------|----------------|-------|--------|------------------|---|---|
| 11. | Pune e-Stock Broking Ltd | 38.23 | March 15, 2024 | 83 | 130 | 53.61% 0.34% | - | - |
| 12. | AVP Infracon Ltd | 52.34 | March 20, 2024 | 75 | 79 | -4.33% -1.17% | - | - |
| 13. | Gem Enviro Management Limited | 44.92 | June 26, 2024 | 75.00 | 142.50 | - | - | - |

Source: Price Information www.bseindia.com and www.nseindia.com, Issue Information from respective Prospectus.

Note:

1. The S&P BSE Sensex and NSE Nifty are considered as the Benchmark.
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30th / 90th/180th Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.
4. In case 30th/ 90th/180th day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.
5. The scrip of New Swan Multitech Limited, Wise Travel India Limited, Pune E-Stock Broking Limited, GEM Enviro Management Limited have not completed its 180th day from the date of listing.

TABLE 2
Summary Statement of Disclosure

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPO trading at discount as on 30 th calendar day from listing date | | | Nos. of IPO trading at premium as on 30 th calendar day from listing date | | | Nos. of IPO trading at discount as on 180 th calendar day from listing date | | | Nos. of IPO trading at premium as on 180 th calendar day from listing date | | |
|----------------|-------------------|-------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2024-25 | 1 | 44.92 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2023-24 | 10 | 322.29 | - | - | - | 5 | 2 | 3 | - | - | - | - | - | - |
| 2022-23 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Notes:

- Issue opening date is considered for calculation of total number of IPO's in the respective financial year.
- In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- Source: www.bseindia.com and www.nseindia.com.



LISTING

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principal approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge (Emerge Platform of NSE).

NSE 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 NSE SME is not granted by NSE, 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 Emerge Platform of NSE (NSE Emerge) mentioned above are taken within three (3) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Three (3) 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:

- 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.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount, if fraud involves an amount of at least Ten lakhs or one-percent of the turnover of the company, whichever is lower.

Provided that where fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable for an imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

CONSENTS

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLM, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn at the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent for the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with NSE.

EXPERT OPINION

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Peer Review Auditors for period ended on March 31, 2024, (c) and legal report from legal advisor, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

We have not made any previous rights and/or public issues since incorporation and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI (ICDR Regulations).

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under chapter titled “Capital Structure” beginning on page 70 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY

None of our Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus our company has no Listed Subsidiary

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY



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 performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Red Herring Prospectus our Company has no listed corporate promoters and no listed subsidiary company.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

OPTION TO SUBSCRIBE

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public 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 Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection center of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In



case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on July 06, 2024. For further details, please refer the chapter titled “Our Management” beginning on page 156 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Kirti Jain as the Company Secretary and Compliance Officer and may be contacted at the following address:

APEX ECOTECH LIMITED

Office No 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pune,

Maharashtra-411017, India

Tel. +91-9999654360;

Fax: N.A.

E-mail: cs@apexecotech.com

Website: www.apexecotech.com

Investors can contact the Company Secretary and 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 or refund orders, etc.

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.

EXEMPTION FROM COMPLYING ANY PROVISION OF SECURITIES LAW

As on the date of this Draft Red Herring Prospectus, our company has not obtained exemption from complying any provision of Securities law.

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SECTION XII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red- Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the 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) facility for making payment. Further, further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+3 days until March 31, 2020. Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

The SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, has introduced reduction of timeline for listing of shares in public issue from existing T+6 days to T+3 days. This circular shall be applicable on voluntary basis for public issues opening on or after September 1, 2023, and Mandatory for public issues opening on or after December 1, 2023.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

The Issue

The Issue consists of a Fresh Issue by our Company. Expenses for the issue shall be Borne by our Company in the manner specified in “Objects of the Issue” on page 85 of this Draft Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being Offered/Alloted in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association, SEBI ICDR Regulations and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

Authority for the Issue

This Issue has been authorized by a resolution of the Board passed at their meeting held on July 06, 2024, subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on July 11, 2024.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who have been Allotted Equity Shares in the issue, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on pages 184 of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10/- and the issue Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor issue Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper and [●] edition of [●] being the regional language of Pune, (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 Stock Exchange for the purpose of uploading the same on their 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 Forms available at the website of the Stock Exchange. The issue Price shall be determined by our Company, 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 the 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 the disclosure and accounting norms

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 306 of this Draft Red Herring Prospectus.

Allotment only in Dematerialized form

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated January 19, 2024 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated February 19, 2024 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●]



Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Application value, Market Lot and Trading Lot

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see “Issue Procedure” on page 260 of this Draft Red Herring Prospectus.

Minimum Number of Allottees

Further in accordance with Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Issue.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to the Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being an nominee, entitled to the Equity Shares by reason of the death of the original



holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be titled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 70 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 306 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding

of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE platform of NSE.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines 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, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

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 Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and the registered office of the company is situated in Maharashtra, therefore Marathi is the regional language. In the pre-issue advertisement, we shall state the Bid/Issue 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 ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations. The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.



Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

Period of Subscription List of the Public Issue

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

Note - ⁽¹⁾ Our Company in consultation with the BRLM, consider participation by Anchor Investors. 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.

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 3 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 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 NSE EMERGE taking into account the total number of applications received up to the closure of timings. Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ 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 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 revision in the Price Band, the Bid/ issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM.

Minimum Subscription

This issue is not restricted to any minimum subscription level. This issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this Draft Red Herring Prospectus including devolvment of Underwriter within sixty days from the date of closure of the issue the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) 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” on page 58 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.

Further, in accordance with Regulation 268 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).

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.

Migration to Main Board

Our company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the EMERGE Platform, amongst others, has to fulfill following conditions:

| Parameter | Migration policy from NSE SME Platform to NSE Main Board |
|--|---|
| Paid up Capital & Market Capitalisation | The paid-up equity capital of the applicant shall not be less than ₹ 10 crores and the capitalisation of the applicant's equity shall |

| | |
|--|--|
| | <p>not be less than ₹ 25 crores**</p> <p>** Explanation</p> <p>For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares</p> |
| Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT) | The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange. |
| Listing period | The applicant should have been listed on SME platform of the Exchange for at least 3 years |
| Other Listing conditions | <ul style="list-style-type: none"> • The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies. • The company has not received any winding up petition admitted by a NCLT. • The net worth* of the company should be at least ₹ 75 crores <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p> |
| Public Shareholders | Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000. |
| The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following: | <p>The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</p> <ul style="list-style-type: none"> • Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed. • Redressal mechanism of Investor grievance • PAN and DIN no. of Director(s) of the Company • Change in Control of a Company/Utilization of funds raised from public |

Market Making

The shares issued and transferred through this issue are proposed to be listed on the Emerge Platform of NSE with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of 3 (three) years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the market making arrangement please refer to chapter titled General Information beginning on page 58 of this Draft Red Herring Prospectus.



ISSUE PROCEDURE

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

All Applicants shall review 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 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document will also be available on the websites of the Stock Exchange and the BRLM, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the issue ; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the issue; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 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 01, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase-I was effective till June 30, 2019.

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 is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as prescribed by SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after

September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

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/DIL1/CIR/P/2021/47 dated March 31, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 01, 2022 and October 01, 2021 respectively and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to Rs. 5,00,000/- shall use the UPI Mechanism.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on www.nseindia.com For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned NSE website.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and 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 Draft Red Herring Prospectus.

BOOK BUILT PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. One- of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, to valid Bids being received from Mutual Funds at or above the Anchor Investor



Allocation Price. In the of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the issue Price. Further, not less than 15.00% of the issue shall be available for allocation on a proportionate basis to Non- institutional Bidders and not less than 35.00% of the 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.

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 combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. www.nseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank accounts specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a. **Phase I:** This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual applicant, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b. **Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 01, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.
- c. **Phase III:** The commencement period of Phase III is notified pursuant to SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The Issue will be made under UPI Phase II of the UPI Circulars. The Issue will be made under UPI Phase II or III of the UPI Circulars depending upon applicable provision of relevant SEBI Circular at the time of issue Opening.

The issue is being under Phase III of the UPI (on Mandatory basis).

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI mechanism.

Pursuant to the UPI 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 Circular include, appointment of a nodal officer by the 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 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 penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 05, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPIID 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.

The processing fees for applications made by Retail Individual 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 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the issue only through the ASBA process. Anchor Investors are not permitted to participate in the issue through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|---|----------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis | [•] |
| Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | [•] |
| Anchor Investors** | [•] |

**Excluding electronic Bid cum Application Form*

*** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

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 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 (‘P’) (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 SCSB’s | 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 | 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 |

| | |
|-------------------------|---|
| UPI for payment: | 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 Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

AVAILABILITY OF RED HERRING PROSPECTUS/ PROSPECTUS AND BID CUM APPLICATION FORMS

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSEBs (via Internet Banking) and NSE (www.nseindia.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 BRLM.

WHO CAN APPLY?

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 DRHP 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 applicant should specify that the application is being made in the name of the HUF in the 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. 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. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
 - 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 corporates or foreign individuals only under the Non-Institutional applicants category;
 - j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
 - k. Foreign Venture Capital Investors registered with 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 Rs. 2,500/- Lakh and who are authorized under their constitution to hold and invest in equity shares;
 - p. Pension Funds with minimum corpus of Rs. 2,500/- Lakh and who are authorized under their constitution to hold and invest in equity shares;
 - q. Multilateral and Bilateral Development Financial Institutions;
 - r. 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;
 - 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 applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications shall not 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 08, 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 03, 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

a) For Retail Individual Applicants

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 Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 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 Applicant 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 Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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 newspaper [●], all editions of Hindi national newspaper [●], and in Regional language 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 (3) Working Days and shall not exceed ten (10) Working Days. The Bid/ issue Period may be 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 in Regional language 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 260 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

1. 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 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.
2. 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.
3. 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.
4. 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.
5. 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, Investors will get the allotment of Equity Shares indematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines 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) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged 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 Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for 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 in 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.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should invest more than 10% of any Company's paid up share capital carrying voting rights.



In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATIONS BY ELIGIBLE NRI

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. 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”) 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 Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than Rs. 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 2,00,000 would be considered under the Non-Institutional Category for allocation in the issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color). For details of restrictions on investment by NRIs, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” beginning on page 299 of this Draft Red Herring Prospectus.

APPLICATIONS BY ELIGIBLE FIIs/FPIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations.

An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by 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 sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA 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.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 04, 2018 (updated as on March 08, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

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 investor 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, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised 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. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment



positions held in the underlying Indian company.

FPIs who wish to participate in the issue are advised to use the Application Form for Non-Residents (blue incolor). FPIs are required to apply through the ASBA process to participate in the issue.

APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURECAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

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 Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through the ASBA Process.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of

certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the IRDA Investment Regulations), 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 (a), (b) and (c) 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.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000.00 million or more but less than Rs. 2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

APPLICATIONS BY BANKING COMPANIES

Applications by Banking Companies: In case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by SCSBs: SCSBs participating in the issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the



purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

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 undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor 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 Rs. 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 Rs. 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 Rs. 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than Rs. 200.00 Lakhs but upto Rs. 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than Rs. 2500.00 Lakhs:
 - (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 2500.00 Lakhs; and
 - (ii) an additional 10 Anchor Investors for every additional allocation of Rs. 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of Rs. 100.00 Lakhs per Anchor Investor.
6. 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.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the

Bid.

8. 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.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 days on fifty per cent of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date of allotment.
11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

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.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500/- lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500/- 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and



Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500/- lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500/- lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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 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 Rs. [●] 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 BIDS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - i. the applications accepted by them,
 - ii. the applications uploaded by them
 - iii. the applications accepted but not uploaded by them, or
 - iv. 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 Issue an electronic facility for registering applications for the Issue. This facility will 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 in 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. 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.
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 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 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 1.00 p.m. on the next working day after 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

- i. 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.
- ii. 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 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.

- 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 July 12, 2024.
- b) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be filing with 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 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one



regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
- In case of joint Bids, ensure that 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 Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
- RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;
- RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;

- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the 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;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the 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);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- 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 I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their 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 Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the



Application Form and the Draft Red Herring Prospectus;

- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- 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;
- 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;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
- RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / issue Closing Date;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
- RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
- Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non- Institutional Portion, for the purposes of allocation in the issue.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest
- RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;

- Do not send Application Forms by post, instead submit the Designated Intermediary only;
 - Do not submit the Application Forms to any non-SCSB bank or our Company;
 - Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
 - Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
 - Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
 - Do not fill up the Application Form such that the Equity Shares applied for exceeds the issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
 - Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
 - Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the issue.
 - Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
 - All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
 - Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
 - Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;
- The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other Instruction for Bidders

Joint Applications in the case of Individuals

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 Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.



In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bid submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

GROUND OF TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the



Bid/ Issue Closing Date, unless extended by the Stock Exchange.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a. The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an 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 DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- 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 RHP.

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 DRHP. 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.

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

Bids received from QIBs Bidding in the QIB Category 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 shall be undertaken in the following manner:

In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:

- i. 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.
- ii. 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.
- iii. 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;

In the second instance Allotment to all QIBs shall be determined as follows:

- i. 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.
- ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.



- iii. 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.

c) Basis of Allotment for QIBs 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 NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- 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).
- 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).
- For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- 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.
- 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 DRHP.

“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 National Stock Exchange of India Limited.

The Executive Director / Managing Director of NSE - 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

- a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b. 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.
- c. 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 transfer 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.

Instruction 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 from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the 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 SME Platform of NSE where the Equity Shares are proposed to be

listed are taken within 3 (Three) working days from issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the issue Closing Date;
2. 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
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

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

Our Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed;
5. 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;

6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be 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 ICDR Regulations and applicable law for the delayed period;
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time;

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) 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. Our Company undertakes that the complaints or comments received in respect of the issue shall be attended by our Company expeditiously and satisfactorily.

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RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020, consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page 260.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.



The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page 260.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, 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 FDI Policy and the FEMA Non-debt 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 Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. 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 in writing about such approval along with a copy thereof within the Bid/Issue Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the BRLM 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.

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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 ₹ 10 crores and upto ₹ 25 crores, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of Issue” and “Issue Procedure” on page no. 250 and 260 respectively of this Draft Red Herring Prospectus.

This public issue of up to 35,00,000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to ₹ [●]/- Lakhs (“the issue”) by our company. The Issue and the Net Issue will constitute 26.54% and 25.02 % respectively of the post issue paid up Equity Share Capital of the Company. This Issue is being made by way of Book Building Process (1):

| Particulars of the Issue | Market Maker Reservation Portion | QIBs | Non – Institutional Investors | Retail Individual Investors |
|---|----------------------------------|--|--|---|
| Number of Equity Shares available for allocation | 2,00,000 Equity shares | [●] Equity shares | [●] Equity shares | [●] Equity shares |
| Percentage of Issue Size Available for allocation | 5.71% of the issue size | Not more than 50.00% of the Net issue size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only. | Not less than 15.00% of the Issue shall be available for allocation. | Not less than 35.00% shall be available for allocation. |
| Basis of Allotment | 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) [●] Equity shares shall be | Proportionate | Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to |



| | | | | |
|--------------------------|---|--|--|---|
| | | allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” beginning on page 311. | | Availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on Page 311. |
| Mode of Application | All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA). | | | |
| Minimum Bid Size | [●] Equity Shares in multiple of [●] 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 in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000. |
| Maximum Application 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 issue (excluding the QIB portion), subject to limits as applicable to the Bidder. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2,00,000. |
| Mode of Allotment | Dematerialized Form | | | |

| | | | | |
|------------------|--|--|--|--|
| Trading Lot | [●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations | [●] 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 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. | | | |

Note:

1. *In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

| Issue Price (in Rs.) | Lot Size (No. of shares) |
|------------------------|--------------------------|
| Upto 14 | 10000 |
| More than 14 upto 18 | 8000 |
| More than 18 upto 25 | 6000 |
| More than 25 upto 35 | 4000 |
| More than 35 upto 50 | 3000 |
| More than 50 upto 70 | 2000 |
| More than 70 upto 90 | 1600 |
| More than 90 upto 120 | 1200 |
| More than 120 upto 150 | 1000 |
| More than 150 upto 180 | 800 |
| More than 180 upto 250 | 600 |
| More than 250 upto 350 | 400 |
| More than 350 upto 500 | 300 |



| | |
|-------------------------|-----|
| More than 500 upto 600 | 240 |
| More than 600 upto 750 | 200 |
| More than 750 upto 1000 | 160 |
| Above 1000 | 100 |

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to 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, where the Registered office of the Company is situated.

The Book Running Lead Managers, 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 approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Maharashtra.

ISSUE PROGRAMME

| | |
|---------------------------|-----|
| ISSUE OPENING DATE | [•] |
| ISSUE CLOSING DATE | [•] |

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 Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.



In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bidform, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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SECTION XIII – MAIN PROVISION OF ARTICLE OF ASSOCIATION

THE COMPANIES ACT 2013 (Incorporated under Companies Act, 2013)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION¹ OF

APEX ECOTECH LIMITED

PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company so far as they are applicable to Public Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.

INTERPRETATION

I.

(1) In these Regulations :-

- a) "Company" means **APEX ECOTECH LIMITED**.
- b) "the Act" means the "Companies Act, 2013" and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
- c) "these Regulations" means these Articles of Association as originally framed or as altered, fromtime to time.
- d) "the Office" means the Registered Office for the time being of the Company.
- e) "the Seal" means the common seal of the Company.
- f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.
- g) "month" and "year" means a calendar month and calendar year respectively.
- h) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.
- i) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear

¹ Articles of Association of the Company was amended vide Special Resolution passed in the Extraordinary General Meeting of the Company held on 26th March, 2024.

the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

2. The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.

SHARE CAPITAL AND VARIATION OF RIGHTS

II. 1.

1. The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.

2. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
3. 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 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
4. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise 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.
5. (i) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, 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 the Section.



(ii) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.

(iii) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

(iv) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

II 2.

I (i) 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,-

a) one certificate for all his shares without payment of any charges; or

b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) 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.

II The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.

(i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;

(ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".

III If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

3. (i) 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.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company. 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.

4. (i) 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.
(ii) 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.
(iii) 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.
5. (i) 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.
(ii) 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.
6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.
7. 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

8. Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid-up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
9. 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—
 - (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) 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.

10. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
(iii) 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.
11. (i) 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.

(ii) 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.

CALLS ON SHARES

12. (i) 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 byway of premium) and not by the conditions of allotment thereof made payable at fixed times: 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.

(ii) 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.

(iii) A call may be revoked or postponed at the discretion of the Board.
13. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
14. (i) 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.
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 15.1. (i) 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.
(ii) 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.

2. Subject to the provisions of Section 50 and 179 of the Act, the Board :-



(a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and

(b) If it thinks fit, may pay interest upon all or any of shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.

3. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

4. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

16. The Board—

(a) 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

(b) 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.

TRANSFER OF SHARES

17. (1) The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.

(2) (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) the transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;

(iii) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;

(iv) that a common form of transfer shall be used;

(v) that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares;



- (vi) 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 Company on any account whatsoever;
- (vii) 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;
- (viii) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;
- (ix) Permission for Sub-Division/Consolidation of Share Certificate.

(3) The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.

(4) Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

18. The Board may, subject to the right of appeal conferred by section 58 decline to register—

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.

19. 1. The Board may decline to recognise any instrument of transfer unless—

- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) 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
- (c) the instrument of transfer is in respect of only one class of shares.

2. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

20. (a) 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:

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.

- (b) There shall be no charge for :

- (a) registration of shares or debentures.
- (b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
- (c) sub-division of renounceable Letters of Right;
- (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
- (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.

TRANSMISSION OF SHARES

- 21.** (i) 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.
- (ii) 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.
- 22.** (i) 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—
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) 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.
- 23.** (i) 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.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) 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.
- 24.** 1. On the transfer of the share being registered in his name 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.



2. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.
3. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

FORFEITURE OF SHARES

25. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
26. The notice aforesaid shall—
 - (a) 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
 - (b) 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.
27. 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
 - (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit
 - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

28. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
29. (i) 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 together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
(ii) 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.
30. (i) 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;
(ii) 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;
(iii) The transferee shall thereupon be registered as the holder of the share; and
(iv) 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.
31. 1. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.
2. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.
3. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
4. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien



or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

5. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

ALTERATION OF CAPITAL

- 32.** 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.
- 33.** Subject to the provisions of section 61, the company may, by ordinary resolution,-
- a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - d) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 34.** 1. The Company may, by an ordinary resolution:-
- (a) convert any paid-up shares into stock; and
 - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
2. 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:
Provided 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.
3. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting 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.

4. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

- 35.** 1. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.
- The Company may, from time to time, by special resolution and on compliance with the provisions of Section of the Act, reduce its share capital.
2. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.
3. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.
4. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.

CAPITALISATION OF PROFITS

- 36.** (1) The company in General Meeting may, upon the recommendation of the Board resolve:-
- (a) 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
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) 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; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
- (3) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—



- (a) 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
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- (a) 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
- (b) 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;

(iii) Any agreement made under such authority shall be effective and binding on such members.

37. (1) Whenever such as resolution as aforesaid shall have been passed, the Board shall:-

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and

(b) do all acts and things required to give effect thereto. The Board shall have full power:-

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also

(b) 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;

(3) Any agreement made under such authority shall be effective and binding on all such members.

BUY-BACK OF SHARES

38. 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.

GENERAL MEETINGS

39. All general meetings other than annual general meeting shall be called extraordinary general meeting.

40. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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.

PROCEEDINGS AT GENERAL MEETINGS

41. 1. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called
2. (i) 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.
- (ii) Save as otherwise provided in Section 103 of the Act, a minimum of:-
- a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
 - b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
 - c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
- Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.
42. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
43. 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.
44. 1. 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.
2. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

ADJOURNMENT OF MEETING

45. 1. (i) 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.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) 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.
- (iv) 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.
2. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
3. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.



VOTING RIGHTS

46. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equityshare capital of the company.
47. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
48. (i) 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.
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
49. 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.
50. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
51. 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.
52. (i) 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.
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

53. 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.
54. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
55. 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: 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.

BOARD OF DIRECTORS

- 56.** 1. The number of Directors of the Company shall not be less than three and not more than fifteen.
- 2. Name of the First Director shall be:**
- 1. Mr. Anuj Dosajh**
 - 2. Mr. Ajay Raina**
 - 3. Mr. Shivakumar Balasundaram Aiyer**
 - 4. Mr. Ramakrishnan Balasundaram Aiyer**
- 57.** 1. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
2. (1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding Rs. 100,000/- (Rupees One Lacs Only);
- (2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.
- (3) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (4) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.
- (5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them-
- (a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or
- (b) In connection with the business of the Company.
3. The Directors shall not be required to hold any qualification shares in the Company.



4. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.
5. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.
6. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.
7. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
8. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.
9. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.
10. The office of a Director shall become vacant:-
 - (i) on the happening of any of the events provided for in Section 167 of the Act;
 - (ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;

- (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.
 - (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or
 - (v) on resignation of his office by notice in writing and is accepted by the Board.
- 58.** The Board may pay all expenses incurred in getting up and registering the company.
- 59.** 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.
- 60.** 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.
- 61.** 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.
- 62.** (i) 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.
(ii) 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.
- 63.** 1. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
2. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
3. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.
4. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.
- 64.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.



- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote
- 65.** 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.
- 66.** 1. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) 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.
2. Subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
3. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
- 67.** (i) 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.
(ii) 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.
- 68.** (i) A committee may elect a Chairperson of its meetings.
(ii) 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.
- 69.** (i) A committee may meet and adjourn as it thinks fit.
(ii) 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.
- 70.** 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.

71. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority 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 as valid and effectual 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

72. Subject to the provisions of the Act,—
- (i) 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;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
73. 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

74. (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (2) Subject to any statutory requirements as to Share Certificates or otherwise, 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

75. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
76. 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.
77. (i) 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, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not, to divide, without setting them aside as a reserve.

- 78.** (i) 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.
(ii) 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.
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 79.** 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.
- 80.** (i) 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.
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 81.** 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.
- 82.** 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.
- 83.** No dividend shall bear interest against the company.

ACCOUNTS

- 84.** (1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.
(2) 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 or them, shall be open to the inspection of members not being Directors.
(3) 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

- 85.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) 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.
 - (ii) 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.
 - (iii) 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.

INDEMNITY

- 86.** 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

87. SHARE WARRANTS

1. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

2. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

3. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant,



sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.

4. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

1. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.
2. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.
3. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.

AUDIT

1 (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

(b) The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting

(c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.



(d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

SECRECY

1. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

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SECTION XIV - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Office No. 202, Garden Plaza, Five Gardens Road, Sunshine Villas, Rahatani, Pimpri Waghire, Pune-411017 Maharashtra, India, from date of filing of Draft Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other Applicable Law.

MATERIAL CONTRACTS TO THE ISSUE

1. Issue Agreement/ Memorandum of Understanding dated July 12, 2024, between our company and the Book Running Lead Manager.
2. Agreement dated July 25, 2024 between our company and the Registrar to the Issue.
3. Public Issue Account agreement dated [●] among our Company, the Book Running Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
4. Underwriting Agreement dated July 12, 2024, between our Company and the Underwriter.
5. Market Making Agreement dated July 12, 2024, between our Company, the Book Running Lead Manager and the Market Maker.
6. Tripartite agreement dated February 19, 2024, among NSDL, our Company and the Registrar to the Issue.
7. Tripartite agreement dated January 29, 2024, among CDSL, our Company and the Registrar to the Issue.

MATERIAL DOCUMENTS TO THE ISSUE

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated April 01, 2009, and July 02, 2024, certificate dated consequent to conversion of our Company to a public limited company.
3. Resolution of the Board of Directors dated July 06, 2024, authorising the Issue.
4. Resolution of the shareholders dated July 11, 2024. under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.
5. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Book Running Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
6. Peer Review Auditors Report dated July 18, 2024, on Restated Financial Statements of our Company for the year ended March 31, 2024, 2023 and 2022.
7. Statement of tax benefits from M/s Raman Chawla & Associates, Chartered Accountants dated July 18, 2024.
8. The Report dated July 24, 2024 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.



9. Board Resolution dated July 29, 2024, for approval of Draft Red Herring Prospectus.
10. Copy of approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
11. Due Diligence Certificate submitted to SEBI dated July 29, 2024 from Book Running Lead Manager to the Issue.
12. Key Performance Indicator Certificate provided by M/s Raman Chawla & Associates; Chartered Accountant dated July 22, 2024.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Anuj Dosajh

Chairman & Managing Director

Place: Delhi

Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Ramakrishnan Balasundaram Aiyer
Executive Director

Place: Pune

Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Ajay Raina
Executive Director

Place: Delhi
Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Rajiv Mathur*

Non-Executive & Independent Director

**Signed through his constituted power of attorney holder Mr. Anuj Dosajh*

Place: Delhi

Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Satya Jagannathan

Non-Executive & Independent Director

Place: Mumbai

Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

**Ashutosh Anilkumar Vadanagekar
Non-Executive & Independent Director**

Place: Pune

Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Neeraj Bhagat
Non-Executive & Independent Director

Place: Delhi
Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CFO OF OUR COMPANY

Sd/-

Rakesh Kaul
Chief Financial Officer

Place: Delhi

Date: July 29, 2024

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DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CS OF OUR COMPANY

Sd/-
Kirti Jain
Company Secretary

Place: Gurugram (Haryana)
Date: July 29, 2024

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