



EKI ENERGY SERVICES LIMITED

Corporate Identity Number: U74200MP2011PLC025904

Our Company was incorporated as EKI Energy Services Limited, a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh on May 03, 2011 bearing registration no. 025904/2011-2012 and Corporate Identification Number U74200MP2011PLC025904. For further details, please refer to chapter titled “History and Certain Corporate Matters” beginning on page 121 of this Draft Red Herring Prospectus.

Registered Office: 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore-452010, Madhya Pradesh, India

Contact Person: Ms. Itisha Sahu, Company Secretary & Compliance Officer

Tel No: 0731-4289086 E-mail: cs@enkingint.org Website: www.enkingint.org

Promoter of Our Company: Mr. Manish Kumar Dabkara

THE ISSUE

INITIAL PUBLIC OFFER OF UP TO 18,24,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“EQUITY SHARES”) OF EKI ENERGY SERVICES LIMITED (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. [●] LAKHS (THE “ISSUE”). THE ISSUE INCLUDES A RESERVATION OF UP TO 96,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING UP TO RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UP TO 17,28,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING UP TO RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.53% AND 25.14% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITIONS OF THE REGIONAL NEWSPAPER [●], A HINDI NEWSPAPER, HINDI BEING THE REGIONAL LANGUAGE OF MADHYA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AT LEAST 2(TWO) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily 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 230 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each. The Floor Price is [●] times the face value and the cap price is [●] times the face value of the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in “Basis for Issue Price” on page 81 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on SME Platform of BSE Limited. 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 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 this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 24 of this Draft Red Herring Prospectus.**

COMPANY’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 this Issue, which is material in the context of this Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited. (“BSE SME”), 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 BSE for the listing of the Equity Shares pursuant to letters dated [●] respectively. For the purposes of the Issue, BSE Limited shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see “Material Contracts and Documents for Inspection” beginning on page 293

LEAD MANAGER TO THE ISSUE



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

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
Address:-1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai - 400059
Tel No.:+91-022-62638200
Fax No.:+91-022-62638299
Website:www.bigshareonline.com
Email:ipo@bigshareonline.com
Contact Person: Mr. Arvind Tandel
SEBI Regn. No.: INR000001385

ISSUE PROGRAMME

Bid/ ISSUE OPENS ON: [●]

Bid/ ISSUE CLOSES ON: [●]

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992(“SCRA”), the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 84, 144 and 263 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

| Terms | Description |
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| “EESL”, “the Company”, “our Company”, “Issuer” and “EKI Energy Services Limited” | EKI Energy Services Limited, a Company incorporated in India under the Companies Act, 1956 having its registered office at 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore – 452010, Madhya Pradesh, India. |
| “we”, “us” and “our” | Unless the context otherwise indicates or implies refers to our Company. |
| “you”, “your” or “yours” | Prospective investors in this Issue |

Company related and Conventional terms

| Term | Description |
|--|--|
| AOA / Articles / Articles of Association | Articles of Association of EKI Energy Services Limited as amended from time to time. |
| Audit Committee | The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 125 of this Draft Red Herring Prospectus |
| Auditors/ Statutory Auditors | The Statutory Auditors of our Company being M/s. DN Jhamb & Co., Chartered Accountants (Firm Registration No. 0019675C) |
| Associate Companies | A body corporate in which our company has a significant influence and includes a joint venture company. |
| Banker to our Company | ICICI Bank Limited |
| Board of Directors / the Board / our Board | The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 125 of this Draft Red Herring Prospectus. |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company being Mrs. Sonali Sheikh |
| Companies Act / Act | The Companies Act, 2013 and amendments thereto. |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Ms. Itisha Sahu (Membership No. 59200) |
| Depositories | National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Director(s) / our Directors | The Director(s) of our Company, unless otherwise specified. |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act |
| Equity Shareholders/ Shareholders | Persons/ Entities holding Equity Shares of our Company. |
| Equity Shares | Equity Shares of the Company of Face Value of Rs. 10/- each unless otherwise specified in the |

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| | context thereof. |
| Executive Directors | Executive Directors are the Managing Director & Whole-time Directors of our Company. |
| Fugitive economic offender | Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) |
| Group Companies | Such Companies as are included in the Chapter titled “Our Group Companies” beginning on page 203 of this Draft Red Herring Prospectus. |
| Independent Director | An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “Our Management” on page 125 of this Draft Red Herring Prospectus. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| ISIN | International Securities Identification Number. In this case being INE0CPR01018 |
| IT Act | The Income Tax Act, 1961 as amended till date. |
| JV/ Joint Venture | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. |
| Key Management Personnel/ KMP | Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled “Our Management” on page 125 of this Draft Red Herring Prospectus. |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on November 28, 2020 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of EKI Energy Services Limited. |
| MD or Managing Director | The Managing Director of our Company, Mr. Manish Kumar Dabkara |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 125 of this Draft Red Herring Prospectus |
| Non-Executive Director | A Director not being an Executive Director. |
| NRIs / Non-Resident Indians | A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. |
| Promoter(s) | Shall mean promoter of our Company i.e. Mr. Manish Kumar Dabkara For further details, please refer to section titled “Our Promoter & Promoter Group” beginning on page 139 of this Draft Red Herring Prospectus. |
| Promoter Group | Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “Our Promoter and Promoter Group” beginning on page 139 of this Draft Red Herring Prospectus. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| RBI Act | The Reserve Bank of India Act, 1934 as amended from time to time. |
| Registered Office of our Company | The Registered Office of our Company situated at 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India |
| Reserve Bank of India / RBI | Reserve Bank of India constituted under the RBI Act. |
| Restated Financial Statements | The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities as at September 30, 2020, March 31, 2020, 2019 and 2018 and the restated statements of profit and loss and the restated cash flows for the period ended September 30, 2020, March 31, 2020, 2019 and 2018 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto |
| RoC/ Registrar of Companies | Registrar of Companies, Gwalior. |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act, 1992. |

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| SEBI (ICDR) Regulations /ICDR Regulation/ Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI (Venture Capital) Regulations | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time. |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR) | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations or SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| Stakeholders' Relationship Committee | Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " <i>Our Management</i> " beginning on page 125 of this Draft Red Herring Prospectus |
| Stock Exchange | Unless the context requires otherwise, refers to, BSE Limited |
| Sub- Account | Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| Subscriber to MOA | Initial Subscribers to MOA & AOA being Mr. Manish Kumar Dabkara, Mrs. Vidhya Dabkara, Mrs. Priyanka Dabkara, Mr. Anand Kumar Pandey, Mr. Naveen Sharma, Mrs. Poorvi Joshi, Mr. Abhishek Sinha, Mr. Atul Pachori and Mr. Girish Chulet. |

Issue Related Terms

| Terms | Description |
|---|--|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an bidder as proof of registration of the Bid. |
| Allocation/ Allocation of Equity Shares | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders. |
| Allotment/Allot/Allotted | Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful Bidders. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges |
| Allottee (s) | A successful Bidder(s) to whom the Equity Shares are allotted. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/Offer Period |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bid/Issue Period | One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed |
| Anchor Investor Issue Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers |

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| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations |
| Application Amount | The amount at which the Bidder makes an application for the Equity Shares of our Company in terms of Red Herring Prospectus. |
| Application Form | The form, whether physical or electronic, used by an Bidder to make an application, which will be considered as the application for Allotment for purposes of this Draft Red Herring Prospectus. |
| Application Supported by Block Amount (ASBA) | Account maintained with an SCSB and specified in the Application form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder. |
| ASBA Account | Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the appropriate bid amount in relation to a bid by an ASBA Bidder.. |
| ASBA Application Location(s) / Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad. |
| ASBA Bidder | Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor |
| ASBA Form/ Bid cum Application | An Application form (with or without UPI ID, as applicable), weather physical or electronic, used by Bidders which will be considered as the application fort Allotment in terms of the Red Herring Prospectus or the Prospectus. |
| Bankers to the Issue/ Public Issue Bank/ Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited |
| Banker to the Issue Agreement/Cash Escrow Agreement/ Escrow Agreement | Banker to the Issue Agreement entered on March 09, 2021 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank / Banker to the Issue and Sponsor Bank for collection of the Bid Amount on the terms and conditions thereof |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders under the issue and which is described in the chapter titled “ Issue Procedure ” beginning on page 230 of this Draft Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue |
| Bidding | The process of making a Bid. |
| Bid Lot | [●] equity shares and in multiples of [●] equity shares thereafter. |
| Bidder/ Investor | Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application form. |
| Bid cum Application Form | Anchor Investor Application Form or the ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment. |
| Bid / Issue Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Indore Edition of Regional newspaper [●] where the |

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| | registered office of the company is situated,, each with wide circulation, and in case of any revision, the extended Bid / Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations |
| Bid / Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Indore Edition of Regional newspaper [●] where the registered office of the company is situated,, each with wide circulation, and in case of any revision, the extended Bid / Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations |
| Bid / Issue Period | Except in relation to any Bids received from the Anchor Investors, the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date or the QIB Bid / Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor. |
| Bidding / Collection Centers | Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs. |
| Book Building Process / Book Building Method | The book building route as provided under Schedule XIII of the SEBI (ICDR) Regulations, 2018 in terms of which this issue is being made. |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Issue in this case being Hem Securities Limited SEBI Registered Category I Merchant Banker. |
| Broker Centers | Broker centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange. |
| Business Day | Monday to Friday (except public holidays). |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange. |
| Cap Price | The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to Demat account |
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Collecting Registrar and Share Transfer Agent | Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Book Running Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Cut Off Price | The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut – off Price. QIBs (including Anchor Investor) and Non – Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Demographic Details | The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, Occupation and Bank Account details. |
| Depository / Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL. |

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| Depository Participant/DP | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated Date | The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Issue Account and / or Refund Account and / or are unblocked, as applicable, in terms of RHP |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Application Form the Bidder and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the Bid cum Application forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.bseindia.com |
| Designated RTA Locations | Such locations of the RTAs where Bidder can submit the Bid cum Application Form 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 i.e. www.bseindia.com |
| Designated Date | The date on which the funds from the Anchor Escrow Accounts, the funds blocked by the SCSBs and Sponsor Bank are transferred from ASBA Accounts specified by the ASBA Bidder to the Public Issue Account and/or Refund Account and/or are unblocked, as applicable in terms of RHP. |
| Designated Intermediaries/Collecting Agent | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity) |
| Designated Market Maker | Hem Finlease Private Limited |
| Designated Stock Exchange | BSE Limited (SME Exchange) ("BSE SME") |
| Draft Prospectus | Draft Prospectus dated December 18, 2020 filled with SME platform of BSE Limited. |
| Eligible NRI | A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares. |
| Equity Shares | Equity Shares of our Company of face value Rs. 10.00 each |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants. |
| Escrow Account(s) | The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First Bidder/Applicant/Bidders | Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | The lowest end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalized and below which no Bids (or revisions thereof) will be accepted |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |
| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so |

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| | 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. |
| General Information Document (GID) | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular number CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI and updated pursuant to the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI circular number CIR/CFD/DIL/1/2016 dated January 1, 2016, the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, the SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2019, and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers |
| Issue Agreement | The agreement dated December 10, 2020 and addendum thereon dated March 08, 2021 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue/Public Issue/Issue size/Initial Public Issue/Initial Public Offering/ IPO | The Public Issue of upto 18,24,000 Equity shares of Rs. 10/- each at issue price of Rs. [●]/- per Equity share, including a premium of Rs. [●]/- per equity share aggregating to Rs. [●] lakhs |
| Issue Period | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Applications. |
| Issue Price | The final price at which the Equity shares will be allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our company in consultation with BRLM on the Pricing date in accordance with the Book – Building process and the Red Herring Prospectus. |
| Issue Proceeds | Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 76 of this Draft Red Herring Prospectus |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the Stock Exchange. |
| Lot Size | [●] |
| Mandate Request | Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Maker | Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Hem Finlease Private Limited is the sole Market Maker |
| Market Making Agreement | Market Making Agreement dated January 25, 2021 and addendum thereon dated March 09, 2021 between our Company, Book Running Lead Manager and Market Maker |
| Market Maker Reservation Portion | The reserved portion of 96,000 Equity Shares of Rs. 10 each at an Issue price of Rs. [●] each is aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this issue. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 17,28,000 equity Shares of Rs.10/- each at a price of Rs. [●] per Equity Share (the “Issue Price”), including a share premium of Rs. [●] per equity share aggregating to Rs. [●] Lacs. |
| Net Proceeds | The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 76 of this Draft Red Herring Prospectus. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor |

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| | Investors |
| Non-Institutional Investors | All Bidders (including Category III FPIs which are foreign corporates or foreign individuals but not including NRIs, other than Eligible NRIs) that are not QIBs (including Anchor Investor) or Retail Individual Bidders, who have Bid for an amount more than Rs. 2,00,000/- |
| Non – Resident | A person resident outside India, as defined under FEMA Regulations. |
| Other Investor | Investors other than Retail Individual Investors. These include individual bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Overseas Corporate Body/ OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Pay-in-Period | The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable |
| Price Band/Issue Price | Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Issue Price |
| Person / Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| Prospectus | The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price, the size of the Issue and certain other information. |
| Public Issue Account | Account to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts and from the ESCROW Accounts in case of Anchor Investor(s), on the Designated Date. |
| Qualified Institutional Buyers/ QIBs | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| QIB Portion | The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), on a proportionate basis, (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the Book Running Lead Managers), subject to valid Bids being received at or above the Issue Price |
| Red Herring Prospectus / RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto |
| Refund Account | Account to which Application monies are to be refunded to the Bidders. |
| Refund Bank / Refund Banker | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable |
| Registered Broker | Individuals or companies registered with SEBI as “Trading Members” (except Syndicate / Sub – Syndicate Members) who hold valid membership of BSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on https://www.bseindia.com/members/MembershipDirectory.aspx |

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| Registrar/ Registrar to the Issue/ RTA/ RTI | Registrar to the Issue being Bigshare Services Private Limited |
| Registrar Agreement | The agreement dated December 18, 2020 and addendum thereon dated March 09, 2021 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Regulations | SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018 as amended from time to time. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Reservation Portion | The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2018. |
| Retail Individual Bidders / RIBs / Retail Individual Investors / RIIs | Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than Rs. 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs). |
| Retail Portion | The portion of the Issue being not less than 50% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders. |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non – Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. |
| Reservation Portion | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018 |
| Reserved Category /Categories | Categories of persons eligible for making applications under reservation portion. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI. |
| Resident Indian | A person resident in India, as defined under FEMA |
| SEBI SAST / SEBI (SAST) Regulations | SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes |
| SME Exchange | SME Platform of the BSE i.e. BSE SME. |
| SEBI(PFUTP) Regulations/PFUTP Regulations | SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 |
| Specified Securities | Equity shares offered through this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time |
| Sponsor Bank(s) | The Banker(s) to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, the sponsor bank in this case being ICICI Bank Limited |
| Sub Syndicate Member | A SEBI Registered member of BSE appointed by the BRLM and / or syndicate member to act as a Sub Syndicate Member in the Issue |
| Syndicate | Includes the BRLM, Syndicate Members and Sub Syndicate Members |
| Syndicate ASBA Bidding Locations | Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| Syndicate Agreement | The agreement dated March 09, 2021 entered into amongst our Company, the BRLM and the |

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| | Syndicate Members, in relation to the collection of Bids in this Issue |
| Syndicate Members / Members of the Syndicate | Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Hem Finelease Private Limited |
| Systemically Important Non – Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| Transaction Registration Slip/ TRS | The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Bidder as proof of registration of the Application. |
| Underwriter | The Underwriter(s) who have underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time. |
| Underwriting Agreement | The Agreement dated [●] entered between the Underwriter(s), BRLM and our Company. |
| UPI | UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account |
| UPI ID | ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI) |
| UPI Mandate Request/ Mandate Request | A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. |
| UPI Mechanism | The bidding mechanism that may be used by a RIB to make a Bid in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019. |
| UPI PIN | Password to authenticate UPI transaction |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| Working Day | In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business •However, in respect of announcement of price band and bid / Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business •In respect to the time period between the bid / Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI |

Technical and Industry Related Terms

| Term | Description |
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| APEDA | Agricultural and Processed Food Products Export Development Authority |
| CER | Carbon Emission Reduction |
| CDC | Consultancy Development Centre |
| CDM | Clean Development Mechanism |
| CDP | Carbon Disclosure Project |
| CII | Confederation of Indian Industry |
| COP | Conference of the Parties |
| ESG | Environmental Social Governance |
| ETS | Emission Trading Schemes |
| ESCo | Energy Service Companies |
| GHG | Green House Gas |

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| GS | Gold Standard Foundation |
| GCC | Global Carbon Council |
| HACCP | Hazard Analysis Critical Control Point |
| IATF | International Automotive Task Force |
| IETA | International Emissions Trading Association |
| ISO | International Organization for Standardization |
| JIT | Just-In-Time |
| NABET | National Accreditation Board for Education and Training |
| NDC | Nationally Determined Contributions |
| OEE | Overall equipment effectiveness |
| PCN | Project Contract Note |
| PDD | Project Development Design |
| POA | Programme Of Activities |
| PDCA | Plan–do–check–act or Plan–do–check–adjust |
| SDG | Sustainable Development Goals |
| SOP | Standard operating procedure |
| SDG | Sustainable Development Goals |
| SMED | Single-minute exchange of die |
| TIGR | Tradable Instrument for Global Renewables |
| TTT | Train the Trainer |
| TPM | Total productive maintenance |
| TQM | Total quality management |
| UAF | United Accreditation Foundation |
| UNFCCC | The United Nation Framework Convention on Climate change |
| VCS | Voluntary Carbon Standards |
| WBCSD | World Business Council for Sustainable Development |
| WRI | World Resources Institute |
| ZED | Zero Defect Zero Effect |

Abbreviations

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

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

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| | of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992. |
| FTA | Foreign Trade Agreement. |
| FVCI | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| FV | Face Value |
| GoI/Government | Government of India |
| GDP | Gross Domestic Product |
| GST | Goods and Services Tax |
| GVA | Gross Value Added |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual |
| HSL | Hem Securities Limited |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| ICWAI | The Institute of Cost Accountants of India |
| IMF | International Monetary Fund |
| IIP | Index of Industrial Production |
| IPO | Initial Public Offer |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IOCL | Indian Oil Corporation Limited |
| INR / Rs./ Rupees | Indian Rupees, the legal currency of the Republic of India |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| IT Authorities | Income Tax Authorities |
| IT Rules | Income Tax Rules, 1962, as amended, except as stated otherwise |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Ind AS | Indian Accounting Standards as referred to in and notified by the Ind AS Rules |
| Ind AS Rules | The Companies (Indian Accounting Standard) Rules, 2015 |
| IRDA | Insurance Regulatory and Development Authority |
| KMP | Key Managerial Personnel |
| LLB | Bachelor of Law |
| Ltd. | Limited |
| LLP | Limited Liability Partnership |
| MAT | Minimum Alternate Tax |
| MoF | Ministry of Finance, Government of India |
| MoU | Memorandum of Understanding |
| M. A | Master of Arts |
| MCA | Ministry of Corporate Affairs, Government of India |
| M. B. A | Master of Business Administration |
| MAT | Minimum Alternate Tax |
| M. Com | Master of Commerce |
| Mn | Million |
| M. E | Master of Engineering |
| M. Tech | Masters of Technology |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MSME | Micro, Small and Medium Enterprises |
| MAPIN | Market Participants and Investors Database |

| | |
|------------------|--|
| NA | Not Applicable |
| NCLT | National Company Law Tribunal |
| Networth | The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account |
| NEFT | National Electronic Funds Transfer |
| NECS | National Electronic Clearing System |
| NAV | Net Asset Value |
| NCT | National Capital Territory |
| NPV | Net Present Value |
| NRIs | Non Resident Indians |
| NRE Account | Non Resident External Account |
| NRO Account | Non Resident Ordinary Account |
| NSE | National Stock Exchange of India Limited |
| NOC | No Objection Certificate |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies |
| P.A. | Per Annum |
| PF | Provident Fund |
| PG | Post Graduate |
| PGDBA | Post Graduate Diploma in Business Administration |
| PLR | Prime Lending Rate |
| PAC | Persons Acting in Concert |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| P.O. | Purchase Order |
| PBT | Profit Before Tax |
| PLI | Postal Life Insurance |
| POA | Power of Attorney |
| PSU | Public Sector Undertaking(s) |
| Pvt. | Private |
| Q.C. | Quality Control |
| RoC | Registrar of Companies |
| RBI | The Reserve Bank of India |
| Registration Act | Registration Act, 1908 |
| ROE | Return on Equity |
| R&D | Research & Development |
| Rs. or Rs. | Rupees, the official currency of the Republic of India |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SME | Small and Medium Enterprises |
| SCSB | Self-Certified syndicate Banks |
| SEBI | Securities and Exchange Board of India |
| STT | Securities Transaction Tax |
| Sec. | Section |
| SPV | Special Purpose Vehicle |
| TAN | Tax Deduction Account Number |
| TRS | Transaction Registration Slip |
| TIN | Taxpayers Identification Number |

| | |
|----------------------------|--|
| UIN | Unique identification number |
| US/United States | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCF / Venture Capital Fund | Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| Wilful Defaulter(s) | Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018. |
| WDV | Written Down Value |
| WTD | Whole Time Director |
| w.e.f. | With effect from |
| -, () | Represent Outflow |
| YoY | Year-On-Year |

Notwithstanding the following: -

1. In the section titled “**Main Provisions of the Articles of Association**” beginning on page 263 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapter titled “**Financial Statements as Restated**” beginning on page 144 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter;
3. In the section titled “**Risk Factors**” beginning on page 24 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled “**Statement of Possible Tax Benefits**” beginning on page 84 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
5. In the chapter titled “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 185 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

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

Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.,” “USA” or “United States” are to the United States of America.

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

Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial statements prepared for the period ended 30th September, 2020 and financial year ended 31st March 2020, 2019 and 2018 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 144 of this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP 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 practice and 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. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 144 of this Draft Red Herring Prospectus. There are no subsidiaries of our Company as on date of the Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 263 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

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

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent

source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 81 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

Currency of Financial Presentation

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 24, 98 and 185 of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

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

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Our ability to successfully implement our strategy, our growth and expansion, technological changes;
- Our ability to detect any fraud or misappropriation related to carbon credits
- Regular updation with changes in quality management standards, electrical safety norms and environmental laws and regulations related to GHG emissions
- The business or financial condition of our clients or the global economy generally
- any developments in the industry or sector in macroeconomic factors, which may affect the rate of growth and the demand for our services;
- Our ability to provide better services than our competitors
- Our ability to maintain and enhance awareness of our industry
- Fail to attract, retain and manage the transition of our management team and other skilled professionals; our inability to compete efficiently;
- Ability to respond to technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Fluctuations in Foreign Exchange rates.
- Changes in laws and regulations relating to the industries in which we operate;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with group companies, the promoter group and other related parties;

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 24, 98 and 185 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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

SECTION II: SUMMARY OF DRAT RED HERRING PROSPECTUS

PRIMARY BUSINESS OF THE COMPANY

Our Company engaged in the business of Carbon Credits Trading and Climate Change Advisory Services, Business Excellence Advisory and Electrical Safety Audits. We are offering our services to various clients in the government and private sectors like power generation, waste management, clean development mechanism, airports and many more industries.

SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

Carbon credit represents ownership of the equivalent of one metric ton of carbon dioxide that can be traded, sold or retired. If an organization is regulated under a cap-and-trade system (e.g., the California Cap and Trade Program) it likely has an allowance of credits it can use towards its cap. If the organization produces fewer tons of carbon emissions than it is allocated, the organization can trade, sell or hold the remaining carbon credits. When a credit is sold, the buyer is purchasing the seller's allowance of emissions. A credit becomes tradeable because of a very real reduction in emissions.

NAME OF PROMOTER

The Promoter of our Company is Mr. Manish Kumar Dabkara

SIZE OF THE ISSUE

The Issue comprises of a Fresh Initial Public Issue of upto 18,24,000 equity shares of face value of Rs. 10/- each (The "Equity Shares") for cash at a price of Rs. [●]/- per Equity Shares (including a premium of Rs. [●]/- per Equity Share) aggregating to Rs. [●] Lakhs ("the Issue") by our Company of which 96,000 Equity Shares of Rs. 10 each aggregating to Rs. [●] Lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and a Net Issue to public of 17,28,000 Equity Shares of Rs. 10 each aggregating to Rs. [●] Lakhs. The Issue and the Net Issue will constitute 26.53% and 25.14 % respectively of the post issue paid up Equity Share Capital of the Company.

OBJECTS OF THE ISSUE

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

| S. No | Particulars | Amt (Rs. in Lakh) |
|-------|-----------------------------|-------------------|
| 1. | Working Capital Requirement | 1400.00 |
| 2. | General Corporate Purpose | [●] |
| 3. | Issue Expenses | [●] |
| | Total | [●] |

PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

The aggregate pre-issue shareholding of the promoter and promoter group as a percentage of the paid-up capital of the issuer is as below-

| Name | No. of Equity Shares | % of Pre Issue paid up Equity Shares |
|--|----------------------|--------------------------------------|
| (A) Promoter | | |
| Mr. Manish Kumar Dabkara | 35,35,000 | 70.00 |
| Total (A) | 35,35,000 | 70.00 |
| (B) Promoter Group | | |
| Mrs. Vidhya Dabkara | 10,10,000 | 20.00 |
| Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,31,300 | 2.6 |
| Mrs. Priyanka Dabkara (W/O of Manish Dabkara) | 2,92,900 | 5.8 |
| Mr. Naveen Sharma | 35,350 | 0.7 |
| Mrs. Sonali Sheikh | 35,350 | 0.7 |
| Mrs. Shweta Porwal | 10,100 | 0.2 |

| Name | No. of Equity Shares | % of Pre Issue paid up Equity Shares |
|--------------------|----------------------|--------------------------------------|
| Total (B) | 15,15,000 | 30.00 |
| GRAND TOTAL | 50,50,000 | 100.00 |

SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated financial statements for past 3 years and stub period in tabular format:

Amt (Rs. in Lacs)

| Sr. No. | Particulars | For period ended September 30, 2020 | Year ended | | |
|---------|--|-------------------------------------|------------|----------|--------|
| | | | 2020 | 2019 | 2018 |
| 1. | Paid up Share Capital | 5.00 | 5.00 | 5.00 | 5.00 |
| 2. | Net worth | 1150.59 | 612.02 | 164.57 | 96.53 |
| 3. | Total Net Revenue (Operations) | 5990.33 | 6,590.44 | 1,975.57 | 698.68 |
| 4. | Profit After Tax | 538.58 | 447.45 | 68.04 | 26.91 |
| 5. | Earnings Per Share – Basic & Diluted | 10.66 | 8.86 | 1.35 | 0.53 |
| 7. | NAV per Equity Shares (Based on Actual Number of Shares) | 2301.19 | 1,224.03 | 329.14 | 193.06 |
| 8. | NAV per Equity Shares (Based on Weighted Average Number of Shares - With Bonus Effect) | 22.78 | 12.12 | 3.26 | 1.91 |
| 9. | Total Borrowings (As per Restated Balance Sheet) | 96.59 | 104.02 | 126.91 | 134.35 |

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

Statutory Auditors' have not issued any Qualification / Observation in their Statutory Auditors' Report on the Audited Financial Statements of the Company for any of the reporting period.

OUTSTANDING LITIGATIONS

1. Litigations/Matters against our Company:-

| Nature of Cases | No. of Outstanding Cases | Amount Involved (Rs. in Lacs) |
|--------------------------|--------------------------|-------------------------------|
| Direct Tax Liabilities | 4 | 0.24 |
| Other Pending Litigation | 1 | 49.86 |

2. Litigations/matters filed by our Company:-

| Nature of Cases | No. of Outstanding Cases | Amount Involved (Rs. in Lacs) |
|--------------------------|--------------------------|-------------------------------|
| Other Pending Litigation | 1 | 1.58 |

3. Litigations/matters filed against our Group Company:-

| Nature of Cases | No. of Outstanding Cases | Amount Involved (Rs. in Lacs) |
|------------------------|--------------------------|-------------------------------|
| Direct Tax Liabilities | 1 | 11.27 |

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 193 of this Draft Red Herring Prospectus.

RISK FACTORS

Please see "*Risk Factors*" beginning on page 24 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY

Following is the summary of the Contingent Liabilities of the Company for the period ended on September 30, 2020 and financial years ended on March 31, 2020, 2019 and 2018: -

(Amount in Rs. Lakhs)

| Particulars | As at | | | |
|---|--------------|--------------|--------------|--------------|
| | 30-09-2020 | 31-03-2020 | 31-03-2019 | 31-03-2018 |
| Taxation Liabilities (Direct Tax) | 0.24 | 0.24 | 0.24 | 0.24 |
| Other Pending Litigation | 49.86 | 49.86 | 49.86 | 49.86 |
| Guarantees given on Behalf of the Company | 13.37 | 13.89 | 2.53 | 1.33 |
| Total | 63.47 | 63.99 | 52.63 | 51.43 |

For detailed information on the Contingent Liabilities on our Company, please refer "*Note Z*" appearing on page 173 of this Draft Red Herring Prospectus under Chapter titled "*Restated Financial Information*" beginning on page 144 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

| A RELATED PARTY DISCLOSURE | | | | | |
|--|--|---|----------|----------|----------|
| (a) List of Related parties Names of the related parties with whom transactions were carried out during the years and description of relationship: | | | | | |
| Sr. No. | Name of the Person / Entity | Relation | | | |
| 1 | Manish Kumar Dabkara | Key Management Personnel (Director) | | | |
| 2 | Naveen Sharma | Key Management Personnel (Director) | | | |
| 3 | Sonali Sheikh | Key Management Personnel (Director) | | | |
| 4 | Priyanka Dabkara | Key Management Personnel (Director) | | | |
| 5 | Priyanka Dabkara | Relative of Key Management Personnel | | | |
| 6 | Smt. Vidhya Dabkara | Relative of Key Management Personnel | | | |
| 7 | Jagannath Dabkara HUF | Relative of Key Management Personnel | | | |
| 8 | Manish Kumar Dabkara HUF | Relative of Key Management Personnel | | | |
| 9 | Smt. Joshna Sheikh | Relative of Key Management Personnel | | | |
| 10 | Neha Sharma | Relative of Key Management Personnel | | | |
| 11 | Pooja Sharma | Relative of Key Management Personnel | | | |
| 12 | Glofix Advisory Services Private Limited | KMP have significant influence in the company | | | |
| 13 | Enking International LLP | KMP have significant influence in the entity | | | |
| 14 | Absolute Lean Services Private Limited | Relatives of KMP have significant influence in the entity | | | |
| 15 | Carbon Neutral Europe | KMP have significant influence in the entity | | | |
| (b) Transaction with related Parties (excluding reimbursement of expenses):- | | | | | |
| Sr. No. | Particulars | During the year / period ended | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| I | Remuneration / Salary | | | | |
| 1 | Manish Kumar Dabkara | 60.00 | 121.48 | 11.57 | 7.02 |
| 2 | Naveen Sharma | 18.35 | 16.85 | 18.37 | 9.86 |
| 3 | Sonali Sheikh | 4.93 | 8.49 | 10.36 | 5.05 |
| 4 | Priyanka Dabkara | 9.00 | 18.00 | 4.80 | 2.45 |
| 5 | Smt Vidhya Dabkara | - | - | 1.50 | 1.75 |
| 6 | Priyanka Dabkara | - | - | 0.62 | 1.75 |
| 7 | Pooja Sharma | - | - | 6.21 | 2.45 |
| 8 | Neha Sharma | - | - | 6.21 | 2.45 |

| 9 | Smt Joshna Sheikh | 2.70 | 5.00 | 0.20 | 0.40 |
|---|---|--------------------------------|----------|----------|----------|
| II Interest Paid / (Received) | | | | | |
| 1 | Manish Kumar Dabkara | - | - | 1.22 | 4.12 |
| 2 | Manish Kumar Dabkara | (0.63) | - | - | - |
| III Professional Fee | | | | | |
| 1 | Manish Kumar Dabkara | - | - | - | 1.75 |
| 2 | Jagannath Dabkara HUF | - | 3.12 | 3.60 | 2.16 |
| 3 | Manish Kumar Dabkara HUF | - | 3.12 | 3.60 | 2.16 |
| 4 | Pooja Sharma | - | 14.82 | - | - |
| 5 | Neha Sharma | 12.15 | 22.93 | - | - |
| IV Unsecured Loans (accepted) / repaid | | | | | |
| 1 | Manish Kumar Dabkara | - | - | - | (110.87) |
| 2 | Manish Kumar Dabkara | - | - | 36.89 | 135.59 |
| 3 | Glofix Advisory Services Pvt Ltd | - | (15.00) | (43.76) | (40.00) |
| 4 | Glofix Advisory Services Pvt Ltd | - | 15.00 | 43.76 | 40.00 |
| V Loans & Advances given / (received back) | | | | | |
| 1 | Manish Kumar Dabkara | 68.56 | 94.69 | - | - |
| 2 | Manish Kumar Dabkara | (62.12) | (94.69) | - | - |
| 3 | Glofix Advisory Services Pvt Ltd | - | 171.22 | 16.40 | - |
| 4 | Glofix Advisory Services Pvt Ltd | - | (171.22) | (16.40) | - |
| (b) Transaction with related Parties (excluding reimbursement of expenses):- | | | | | |
| Sr. No. | Particulars | During the year / period ended | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| VI Others | | | | | |
| 1 | Smt Vidhya Dabkara (Rent Expense) | 12.00 | 24.00 | 7.09 | 6.09 |
| 2 | Smt Vidhya Dabkara (Rent Deposit) | 2.00 | 1.10 | - | - |
| 3 | Carbon Neutral Europe (Carbon Credit Purchase) | - | - | 0.02 | - |
| 4 | Absolute Lean Services Pvt Ltd (Services Availed by the Company) | 9.44 | 5.62 | - | - |
| 5 | Absolute Lean Services Pvt Ltd (Services Provided by the Company) | - | - | 1.83 | - |
| (c) Year end balances of related parties on account of | | | | | |
| Sr. No. | Particulars | As at | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| 1 | Manish Kumar Dabkara (Unsecured Loans) | - | - | - | 35.67 |
| 2 | Manish Kumar Dabkara - Loans & Advances Given | 68.56 | - | - | - |
| 3 | Vidhya Dabkara Rent Deposit | 2.00 | 2.00 | 0.90 | 0.90 |
| (d) Maximum amount outstanding during the year | | | | | |
| Sr. No. | Particulars | As at | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| 1 | Manish Kumar Dabkara (Loans & Advances) | 61.49 | 57.34 | - | - |
| 2 | Manish Kumar Dabkara (Unsecured Loans) | - | - | 35.67 | 66.04 |
| 3 | Vidhya Dabkara Rent Deposit | 2.00 | 2.00 | 0.90 | 0.90 |

For detailed information on the related party transactions executed by our Company, please refer “**Note Z**” appearing on page 173 of this Draft Red Herring Prospectus under Chapter titled “**Restated Financial Information**” beginning on page 144 of this Draft Red Herring Prospectus.

FINANCING ARRANGEMENTS

The promoter, members of the promoter group, the directors of the company which is a promoter of the issuer, the Directors of the issuer and their relatives have not financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

Weighted average price at which the Equity Shares were acquired by our Promoter in Last one year:

| Sr. No. | Name of Promoter | Total No. of Equity Shares | Weighted Average Price* (in Rs. per equity share) |
|---------|--------------------------|----------------------------|---|
| 1. | Mr. Manish Kumar Dabkara | 35,00,000 | Nil |

**The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.*

AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTER

| Sr. No. | Name of the Promoter | No. of Shares held | Average cost of Acquisition (Rs. Per share) |
|---------|--------------------------|--------------------|---|
| 1. | Ms. Manish Kumar Dabkara | 35,35,000 | 0.10 |

**The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.*

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 for the details of Bonus Issue mentioned below, we have not issued Equity Shares for consideration other than cash in the preceding one year.

| Sr. No. | Names of Allottees | Number of Equity Shares |
|---------|--|-------------------------|
| 1. | Mr. Manish Kumar Dabkara | 35,00,000 |
| 2. | Mrs. Vidhya Dabkara | 10,00,000 |
| 3. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,30,000 |
| 4. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,90,000 |
| 5. | Mr. Naveen Sharma | 35,000 |
| 6. | Mrs. Sonali Sheikh | 35,000 |
| 7. | Mrs. Shweta Porwal | 10,000 |
| | Total | 50,00,000 |

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

SECTION III: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 144, 98 and 185 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

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

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

Materiality

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

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

Note:

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

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” beginning on page 24 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 185 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).*

1. Exploitation of weak regulations to commit financial crimes.

The current methods of regulating carbon markets are vulnerable to manipulation. The complexity of carbon markets makes them particularly difficult to regulate. Lack of legal regulation, together with the lack of any tangible asset behind the traded carbon credits makes this market perhaps even easier to manipulate. While the regulation and oversight of the carbon markets remain at an immature stage, the rapid growth of investment makes them vulnerable to exploitation. In more cases than not, the sellers and buyers are unaware of each other and the irregularities in appropriate disclosure can give advantage of arbitration trading, misstatement of transactions, fraud due to legal loopholes or inconsistent regulations between

different national legislation. Law enforcement and regulators are often limited in their ability to work outside their own domestic legal jurisdiction, making enforcement of international carbon markets complicated and difficult without a proper global enforcement response. Further, any inconsistency between the licensing rules for carbon traders or between the regulations across different jurisdictions. These difficulties pose an unforeseen risk of transparency at the end of the holder and the trader, therefore the weak or non-existent regulations for trading and transfer and disclosure norms is likely to affect our business operations and may impose financial obligations/penalties on our company, which may or may not be caused solely on our company's working.

At present, the Carbon credits are being traded in Compulsory regime as well as in voluntary market. In compulsory regime though the market has certain guidelines of each country under its local laws, but the trading in voluntary markets is not under regulated regime in India. Whenever any regulations/laws will be made and implemented for regulating trading in carbon credits in voluntary markets, the same may or may not be favorable to our business. Our business may be impacted which may or may not be good for us while it transits to regulated regime in comparison to the present scenario, as our Company's major business segment is of trading in carbon credits in voluntary markets only. Accordingly, such change in legal position of our business in trading of carbon credits may have adverse effect on our results of operations and our overall financial position.

- 2. The demand for our services is, to a large extent, dependent on focus of organizations towards carbon neutrality and achieving low carbon and climate resilient global economy. In absence of any mandatory regulations in India for adoption of same, there may be a decline in voluntary approach to meet sustainability goals which would result in a decrease in demand for our services and as such could have an adverse effect on our financial condition and results of operations.***

After the wave of attention towards 'Climate Change and Global Warming' multiple National and International bodies have given different concepts and mechanisms to reduce level of GHG emissions. Over a period of time, such mechanisms were adopted by many environment conscious countries and organisations as a step towards sustainable environment. These mechanisms are difficult to understand and adopt by an ordinary organization. Moreover the government action in itself is not sufficient to deal with carbon change impacts and more so in reversing the temperature rise. Organizations in India are not mandated under any law to reduce or neutralize their emissions.

Almost all the developed nations are party to The Kyoto Protocol, an agreement between participating developed countries to cut the emission of not only carbon dioxide but of also other greenhouse gases. India has inked the document, but don't have binding targets to meet. Therefore in absence of any such binding agreement, it is challenging to move organizations towards carbon neutrality voluntarily. However industrialized countries invest in emission reducing projects in developing countries, which promotes international carbon trading, the domestic market for generating and/or offsetting carbon credits is still uncovered. Our company aims to create awareness to reduce carbon emissions by providing consultancy services which help project owners to get their projects registered/verified under various GHG program.

Any slowdown in spread of such awareness to reduce carbon emissions and to make Earth's Environment free of Global Warming and lack of government initiatives in the said approach may lead to slowdown in our business operations.

- 3. Carbon pricing is dependent on the supply and demand of carbon credits majorly from developing nations to developed nations. Any increase in the supply of carbon credits in these developing markets would reduce the carbon credit rates as well as our operating margins.***

Organizations approach to encourage use of sources of renewable energy and discourage the use of conventional sources of energy would lead to reduction in emission of GHGs in order to protect the environment. All the organizations investing in renewable energy projects would generate carbon credits which could be sold to emitters of carbon di-oxide in developed nations. The pricing of carbon credits depends on bridging the gap of demand and supply in these markets. Expanded investment in renewable sources of energy would create abundant carbon credit thereby reducing its price and our operating margins.

Carbon credit markets have significant price volatility. Carbon credit prices are prone to extreme volatility because the supply of credits is relatively fixed and the demand for the same changes in the short run

depending on heavy carbon emissions. Large price swings can result from unanticipated changes in economic activity, weather, fuel prices, or technological developments. Any such volatility or increase in carbon credits in the markets could reduce the carbon pricing as well as our operating margins thereby impacting the financial position of the company.

4. *There can be risk of manipulating measurements by our team members or the beneficiary organizations to fraudulently claim additional carbon credits*

Clean Development Mechanism (CDM) projects generate carbon credits based on the extent to which the project resulted in fewer emissions than would otherwise have occurred. This provides fraudsters with two possible approaches to manipulate measurements and fraudulently obtain a greater allocation of carbon credits. Firstly, they might overinflate the estimate of the emissions that would otherwise have occurred (for example, overstating the *business-as-usual* scenario). Secondly, they might fraudulently claim the project reduces emissions to a greater degree than it actually does. Moreover, those doing the measurements might distort their analysis through measuring only certain variables, a selective choice of sites for collecting data, or adopting certain assumptions in the calculations. In many developing countries, a lack of reliable data and/or poor institutional capacity to monitor the data collection process provides ample opportunity for those with vested interests to manipulate carbon measurements to their own advantage.

In our Climate change advisory services and carbon credit trading business we must ensure to address these risks through proper validation and verification before a project receives the carbon credits. Further, concern has been raised about the level of independence of the consultants involved in the business. There is an inherent conflict of interest in which consultants are incentivised to facilitate the project's approval rather than to ensure accuracy of the validation process. To ensure market integrity therefore the priority should be to ensure that carbon credits are correctly recognised such that it can be bought and sold in the market. Thus our team should be vigilant and reliable to comply with all the requirements for reducing fraud and other forms of corruption in the generation of carbon credits. Any failure or negligence of our team could make us susceptible to risk of misappropriation and manipulation in the measurements of carbon credits. Similarly if such misappropriated carbon credits are traded by our organisation, it may have an adverse effect on our reputation and credibility and may expose us to litigations which may involve our time and impact financial position of our company.

5. *We have limited experience and knowledge in operating our business and managing the high level of growth we have experienced in our business. If we are unable to successfully manage our growth, our business, prospects, financial condition and results of operations could be adversely affected.*

We began our operations with climate change advisory services in the year 2011. Thereafter our company started its consultancy services in the field of business excellence advisory services in the year 2013. Further we started trading of carbon credits from the year 2014 with around 0.10 million credits traded in the 1st year of operations and have grown our business to trading of around 20 million credits in the financial year 2020. We also started the business of Electrical safety Audit from the year 2019. Our total revenue from operations increased to Rs. 6590.43 Lakhs for the FY 2019-20 from Rs. 174.39 Lakhs for the FY 2014-15 and our total revenue from operations was Rs. 5990.33 Lakhs for the six months ended September 30, 2020. We do not have the long-term experience in the field of carbon credit trading or electrical safety audits which may be typically prevalent among our competitors. We have further plans to increase the volume of our operations and our clientele. Any inability to effectively manage, operate and expand our operations may adversely affect our business, prospects, financial condition and results of operations.

6. *We will be dependent on our carbon credit trading business for a substantial portion of our revenue and any loss of or damage to any of our existing clients could adversely affect our business, financial condition and results of operations.*

Our total revenue from operations for carbon credit trading business for the period ending September 30, 2020 was Rs. 5909.23 Lakhs and for the year ending March 31, 2020 the same was Rs. 6239.85 Lakhs comprising 98.26% and 94.68% of our total revenue from operations respectively. Our income increased during this period primarily as a result of the expansion of our team and securing new contracts. We anticipate that going forward, we will be substantially dependent on the income we generate from these

services. Our operation involves a high degree of risk which, even with a combination of experience, knowledge, and careful evaluation, we may not be able to address. In the event that there is any loss of clients or that we are trapped in any type of fraud in the industry as a result of any of the eventualities indicated above, our business, financial condition and results of operations may be adversely affected.

7. ***Most of the contracts or work order related to business advisory services like ISO Consultancy or other Quality Management Services and Electrical Safety Audits have been awarded primarily through the competitive bidding process. Our bids may not always be lowest or accepted. We may not be able to qualify or compete to win projects, which could adversely affect our business and results of operations.***

As a part of our business and operations, we bid and file government tenders for contracts/work orders for business advisory services like ISO Consultancy or other Quality Management Services and Electrical Safety Audits on an on-going basis. Contracts are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation, experience and availability of financial resources are important considerations for these contracts, there can be no assurance that we would be able to meet such qualification criteria, particularly for larger contracts. Further, once the prospective bidders satisfy the qualification requirements of the tender, the contract is usually awarded based on the quote by the prospective bidders only. We spend considerable time and resources in the preparation and submission of bids. We cannot assure you that we will bid where we have been pre-qualified to submit a bid or that our bids, when submitted or if already submitted, would be the lowest and will be accepted for the contract.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the contracts for which we bid will be tendered within a reasonable time or will be tendered at all. If new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, in such circumstances our business prospects, financial condition, cash flows and results of operations could be materially and adversely affected.

8. ***If we are unable to attract new clients or our unable to provide recurring services to our existing clients, the growth of our business and cash flows will be adversely affected.***

Our top five clients contributed to approximately 58.38% of our revenue from operations based on Restated Financial Statements for the period ended September 30, 2020. To increase our revenue and cash flows, we must regularly add new clients and be able to provide recurring services to our existing clients. If we are unable to generate sufficient sales, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, we do not have any contracts with our existing client and we get orders based on their requirements. Our client base may decline or fluctuate due to a number of factors, including customers' satisfaction with our services, our prices and the prices of competing service providers. If we fail to sell our services to new customers or if we do not meet the expectations of our existing customers, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

9. ***Our Company and Group Company are party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition***

Our Company and Group Company are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, arbitration panels and facilitation councils. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory/ statutory authorities against our Company and our Group Company have been set out below.

Litigations/Matters against our Company:-

| Nature of Cases | No. of Outstanding Cases | Amount Involved (Rs. in Lacs) |
|--------------------------|--------------------------|----------------------------------|
| Direct Tax Liabilities | 4 | 0.24 |
| Other Pending Litigation | 1 | 49.86 |

Litigations/matters filed by our Company:-

| Nature of Cases | No. of Outstanding Cases | Amount Involved (Rs. in Lacs) |
|--------------------------|--------------------------|----------------------------------|
| Other Pending Litigation | 1 | 1.58 |

Litigations/matters filed against our Group Company:-

| Nature of Cases | No. of Outstanding Cases | Amount Involved (Rs. in Lacs) |
|------------------------|--------------------------|----------------------------------|
| Direct Tax Liabilities | 1 | 11.27 |

For further details, see *“Outstanding Litigation and Material Developments”* beginning on page 193 of this Draft Red Herring Prospectus.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company or our Group Company, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

10. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Although we believe that we have obtained all the requisite permits but there is no assurance that there are no other statutory/regulatory requirements which we are required to be complied with.

Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions and any default by our Company in complying with the same, may result in the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations, or penal action be taken against our company and its officers in default and may have a material adverse effect on our business for further details, please refer to section titled *“Government and Other Approvals”* beginning on page 198 of the Draft Red Herring Prospectus

11. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956/2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.

Our company has not complied with certain statutory provisions in the past including but not limited to the details mentioned in this Draft Red Herring Prospectus. Our Company had inadvertently failed to file E-form MGT – 14 for approval of advances made under section 185 during FY 2018-19 to one of its group companies Glofix Advisory Services Private Limited. However, the same was rectified during FY 2019-20 and no such contravention is present as on date. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business and reputation.

There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies (ROC), which inter-alia includes clerical & technical errors in the Annual Returns filed by our Company with the ROC in past years, for instance, list of transfers shows incorrect details of transfers in the Annual Return filed by Company for F.Y. 2012-2013, list of transfers were not attached in the Annual Return filed by Company for F.Y. 2013-14. Further, there are certain forms which are filed with delayed fees with ROC. reover, our Company failed to file the form MGT-14 for approval of financial statements and board report under section 179 of Companies Act 2013 for the FY 2014-15 to FY 2017-18.

Our Company in the past has not filed Certain ROC form such as MGT-14 for board resolution passed by the Company for reappointment of Mr. Manish Kumar Dabkara as a Managing Director. Further the Company had erroneously appointed Mr. Naveen Sharma & Mrs. Sonali Sheikh as non-executive directors while both of them have been employees of the company before their appointment as director and continued their employment even after being appointed as Director which by virtue of the provisions of the Companies Act, 2013 becomes the position of whole-time director. At present the Company has corrected this error and have properly appointed both of them as Whole Time Directors and have made required e-filings with ROC with respect to said appointments.

Our Company in the past has paid remuneration to its managerial personnel and non-executive director which is in excess of the limit prescribed under the Section 197 of Companies Act, 2013.

Our company has not complied with the provision of AS 15, AS 17 and AS 18 while preparing the annual account in the past, however the same have been duly complied by the company in the restated financial statements of the company. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

12. We do not own the Registered Office and Corporate Office from which we carry out our business activities. In case of non renewal of rent agreements or dispute in relation to use of the premises, our business and results of operations can be adversely affected.

We do not own the registered office situated at 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India and corporate office situated at Office No: 102 and 301, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India. The said offices are taken on lease from our Promoter, Mr. Manish Kumar Dabkara and Promoter Group Member Mrs. Vidhya Dabkara vide No Objection Certificate dated December 05, 2020. In case of withdrawal of the said NOC or imposition of such terms and conditions that are not favorable to our Company, we may suffer disruption in our operations which may adversely affect our financial conditions.

Further, we share the same premises with our Group Companies, Enking International LLP and Glofix Advisory Services Private Limited and there is no rent sharing agreement and area sharing agreement. In case of any dispute we may suffer a disruption in our operations which could have an adverse effect on our business and operations. Any multiple or overlapping use of the said facilities may create some disruption which may affect our business operations.

For further details regarding our Registered Office and Corporate office, please refer to the section titled "***Our Business***" on page 98 of this Draft Red Herring Prospectus.

13. Some part of our business transactions are with government authorities, which may expose us to risk, including additional regulatory scrutiny.

Some of our business operations like carbon credit trading, business advisory or electrical safety audit are based on contracts procured from government undertakings. We may be subject to additional regulatory scrutiny associated with commercial transactions with government owned or controlled entities and agencies. Further, in certain instances, we may face delays associated with collection of receivables from government owned or controlled entities due to various issues at their end.

Our service contracts with government authorities are also subject to certain restrictions including technical audits and approvals by such government authorities which awarded the contract. If we fail to comply with

a contractual or any other requirement or if there are any concerns that arise out of the audit conducted by a government entity, or any issues with the quality of service provided by us or our engineering consultants, a variety of penalties can be imposed including monetary damages and penalties. As a result of this, contracts entered into with government entities could be terminated and we could be suspended or debarred from all government work order, or payment of our costs could be disallowed. The occurrence of any of these actions could harm our reputation and could have a material adverse effect on our business, results of operations and financial condition.

14. *Trading in carbon credits expose us to credit and operational risk of the dealing organizations.*

Credit and operational risk is the potential for a seller to fail to meet its obligations in accordance with agreed terms or if the seller does not have adequate internal control or risk management or other systems in place. Our Company being the intermediary service provider would remain exposed to inherent credit or operational risk of organizations with which it is dealing or transacting. The seller of carbon credits may not pursue appropriately or at all steps required towards reduction in carbon emissions and the estimated credits may not be passed on to the buyer due to operational inefficiencies if any.

Our Company conducts appropriate due diligence to assess and guide the seller to generate carbon credits. Design and implementation of appropriate processes and controls within the organization to obtain, prepare and analyse all relevant information is necessary to avoid failure of supply of carbon credits. However, there may occur events beyond our control like internal disruption of operations, climatic changes, government policies, change in technology or change in consumer preferences etc, which may affect the capabilities of the seller to generate carbon credits and can lead to failure in supply of committed credits. Any such failure would impact the reputation of our organization and may have a material impact on our business operations.

15. *Any damage to the trust and confidence that our Company's clients have in us, which is largely dependent on our reputation and service quality, may adversely affect our business, financial performance and results of operations.*

Our Company's business is largely dependent on our reputation. Our regime of services entails us to continuously provide quality service to be able to retain clients. This not only fosters confidence and faith in our clients but also spreads our name for quality assured work. However, if we fail to adhere to quality or timelines to complete the assigned work, or if the project subsequently fails to meet the requisite performance standards, we will lose faith and trust of our clients. Our consultancy services are dependent on getting work from the clients on a regular basis. Breach of trust or degradation in quality of services will hamper our Company's market hold. This may be leveraged by our competitors who provide comparable or better services and respond successfully to such competitive pressures.

16. *Changes in technology and carbon credit trading mechanism or changes in standards of quality management system and Electrical safety audit may require us to update our knowledge or database or make substantial capital investment.*

The present technology or mechanism of carbon credit trading may change based on the requirements of the industry. Moreover we aid organizations in acquiring quality management certifications and also conduct electrical safety audits for organisations. Our team requires to keep itself continuously educated and updated with any change or innovation in the quality management standards or electrical safety norms in the industry. While we currently have a well qualified, experienced team of professionals, our company requires to be updated with latest technology and/or updated system of operations for further development in each type of service provided by us. The cost to upgrade our team and system could be significant and could have an impact on our results of operations and financial position.

17. *Our Company has not entered into any long-term contracts with its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability*

We generate revenue through sales of carbon credits or consultancy services to our clients for quality management standards or through electrical safety audits. Quality of service and reliability, competitive pricing, post service support, etc. are some of the major criteria which enable us to build continuing

relationships with our Customer. Our Company has strong business relationships with certain customers. However, we have not entered into any long term contracts with any of our customers and we cater to them on an order-by-order basis.

As a result, our customers can terminate their relationships with us without any notice, which could materially and adversely impact our business. There is no assurance that we will be able to obtain continuous business, get awarded with orders every time or at all. The loss of order by a significant customer or a number of significant customers on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

18. Fluctuation in foreign currency exchange rates could affect our financial condition and results of operations.

Our business of Carbon credit trading involves transactions in foreign countries which is quoted in either U.S. Dollars, GBP, Australian Dollars or EURO. A depreciation of Rupee against these foreign currencies would mean that our imports would become expensive and will impact our profitability. During the stub period ended on September 30, 2020 and FY 2019-20, 2018-19 and 2017-18 our imports accounted for approximately Rs. 2945.15 lakhs, Rs. 2216.38 lakhs, Rs.862.23 Lakhs and Rs. 257.65. lakhs respectively. Similarly we export carbon credits also and any appreciation of Rupee against these foreign currencies would mean that the amount we receive on sales in Rupee would decrease. The exchange rate between the Rupee and these foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. During the stub period ended on September 30, 2020 and FY 2019-20, 2018-19 and 2017-18 such exports contributed to approximately Rs. 5819.41 lakhs, Rs. 6136.96 lakhs, Rs. 1813.70 lakhs and Rs. 564.53 lakhs respectively. We bear the complete risk of currency exchange rate fluctuations. Any appreciation of Rupee against these foreign currencies may adversely affect our sales, profitability and our results of operations.

19. We may be unable to attract and retain qualified, skilled employees necessary to manage, maintain and grow our business.

Our success depends in large part on our ability to attract and retain highly skilled and qualified personnel, such as engineers, operations managers, and sales and service staff. Skilled employees with appropriate experience in the services industry are scarce and the employment market for such personnel is very competitive. As on September 30, 2020 we have a strong team of 70 personnel. We may experience a reduction in the experience level of our personnel as a result of any increased attrition, which could lead to higher downtime and more operating incidents, which in turn could decrease revenues and increase costs. Competition has resulted in inflationary pressure on hiring, training and retention costs for such personnel. The financial resources required to continue to attract and retain such personnel may adversely affect our operating margins.

20. One of our Group Companies, Carbon Neutral Europe OU, is under liquidation in the country of its incorporation, Estonia. Any adverse effect on the company in its process of liquidation may have an impact on our promoter and may affect our reputation and business.

One of our Group Companies, Carbon Neutral Europe OU, established in Estonia is under the process of liquidation w.e.f January 30, 2020. Our promoter Mr. Manish Kumar Dabkara holds 100% shares in the said company. Carbon Neutral Europe OU has not prepared any of its financial statements since its incorporation from January 08, 2019 since there were no activities in the company. Any penal action due to failure to prepare financial statements or in the process of liquidation may divert the attention of our promoter and affect our reputation and business operations.

There can be no assurance that our Group Companies will not incur losses in the future which may have an adverse effect on our reputation and business.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such

misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

- 22. *We have limited experience in markets outside of India and failure with respect to opportunities we explore outside of India could have an adverse effect on our results of operations and financial performance.***

Part of our growth strategy includes entering new markets for carbon credit trading and to provide services in foreign markets. Failure to understand or comply with relevant local regulations could have a detrimental effect to our business operations. In addition, our strategy to enter new markets may not be successful due to other factors, such as entry barriers, competition or due to commercial requirements to employ promotional pricing schemes for our services or trading activities, any of which may have an adverse impact on our business and financial condition.

- 23. *Our Promoter, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoter, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced to them or provided by them for 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 Promoter and Promoter Group*” and “*Financial information of the Company-Related Party Transactions*”, beginning on pages 98, 139 and 144 respectively.

- 24. *We have made investment in mutual funds and bank fixed deposits, the returns on which would be adversely impacted by changes in the interest rates and volatility in the financial markets.***

We have made in the past and intend to continue making investments in mutual funds or bank fixed deposits. Such investments as on March 31, 2020 and for the stub period ended on September 30, 2020 were Rs. 8.95lacs and Rs. 638.91 lacs and our income from investments was Rs. 8.16 lacs for the FY 19-20 and Rs. 5.02 lacs for the stub period ended on September 30, 2020. Changes in interest rates and volatility in the financial markets may adversely affect our income from such investments and the market value of our portfolio.

- 25. *We operate in a very niche industry and the competition in the market is subject to intense price competition and service quality. If we are unable to bid for and win contracts/work orders or compete with larger competitors, we could fail to secure orders/contracts and our results of operations may be materially adversely affected.***

The principal competitive factors in our service industry include:

- pricing and other costs,
- quality service and reputation of our company;
- pre-qualification criteria and prior experience;
- Qualification, technical capabilities and experience of our personnel;
- safety and efficiency;

Some of our competitors may have greater industry experience and substantial financial, technical and other resources which enables them to undertake larger projects or contracts. Although there are numerous factors that could affect our business operations, pricing plays an important role in most tender awards or other contracts or work orders. While we have, in the past, been awarded many contracts, we cannot assure you that we will continue to be awarded such contracts. Some of the new entrants may also bid at lower margins to get a contract. As a result, the nature of the bidding process may cause us and our competitors to accept lower margins to get a contract. We may also decide not to participate in some projects as accepting such lower margins may not be financially viable and this may adversely affect our competitiveness to bid for and win future contracts. Our inability to effectively manage such competitive pressures and manage our costs efficiently, could have a material adverse effect on our operating margins, business growth and

prospects, financial condition and results of operations.

26. Carbon Credit Trading could also be affected by the risk of political or regulatory uncertainty.

Trading volumes, prices, and the number of participants willing to trade could fall if certain legislative, regulatory, or legal actions is initiated that may significantly change the design and implementation of a carbon trading program. Furthermore any such political and regulatory uncertainty would have to be mitigated by designing a carbon trading mechanism that has a long time frame and other elements that increase the certainty of the program’s structure or that reduce the potential for significant changes after implementation.

27. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards trade receivables. We have been sanctioned Overdraft facility of Rs. 500 lakhs from ICICI Bank Limited. Our growing scales of operation and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

28. We rely on our information technology systems for our operations and its reliability and functionality is critical to the success of our business.

We rely on our information technology systems for our operations and its reliability and functionality is critical to our business success. Our growing dependence on the IT infrastructure, applications, and data has caused us to have a vested interest in its reliability and functionality, which can be affected by several factors, including, the increasing complexity of the IT systems, frequent change and short life span due to technological advancements and data security. Any system error or failure, or a sudden and significant increase in bandwidth usage, could result in the unavailability of systems to us. Our computer networks may also be vulnerable to unauthorized access, computer hackers, computer viruses and other security problems. A user who circumvents security measures could misappropriate proprietary information or cause interruptions or malfunctions in operations. As a result, we may be required to expend significant resources to protect against these threats. If our IT systems malfunction or experience extended periods of down time, we may not be able to run our operations safely or efficiently. We may suffer losses in revenue, reputation and volume of business and our financial condition and results of operation may be materially and adversely affected. So far, we have not experienced any material widespread disruptions of service to our clients, but there can be no assurance that we may not encounter disruptions in the future.

29. Our Company has certain contingent liabilities, which if materialized may adversely affect our financial condition.

As on September 30, 2020, our Company has following contingent liabilities as per restated financials of the Company:

(Amount in Rs. Lakhs)

| Particulars | As at September 30, 2020 |
|---|--------------------------|
| Taxation Liabilities (Direct Tax) | 0.24 |
| Other Pending Litigation | 49.86 |
| Guarantees given on Behalf of the Company | 13.37 |
| Total | 63.47 |

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “*Financial Statements*” on page 144 of this Draft Red Herring Prospectus.

30. Trade receivables form a major part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for service performed or for the carbon credits traded. Based on the Restated Financial Statements, our trade receivables for the stub period ending on September 30, 2020 and FY 2020, 2019 and 2018, were Rs 584.56 Lakhs, Rs. 430.01 Lakhs, Rs. 246.95 Lakhs and Rs. 169.98 Lakhs representing 9.76%, 6.52%, 12.50% and 24.33% of our total revenue from operations for the respective periods. For the stub period ending on September 30, 2020, our top 5 debtors represent 43.09% of our total outstanding debt. In case of any delay or failure to repay the dues, cash flow and financial operations of our Company may get affected. We cannot assure you that we will be able to accurately assess the creditworthiness of our customers and will be able to collect the dues in time. Further, we are also required to provide EMD and security deposits to the customers which are generally repayable after the completion of work orders. In case any amount due from our customer becomes doubtful, there could be circumstances that we may not be able to realize the EMD and security deposits provided to the customers.

Macroeconomic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, cause us to enter into litigation for non-payment, all of which could increase our receivables. In any such case, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cashflows could be adversely affected.

31. *We are heavily dependent on our Promoter and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.*

Our success heavily depends upon the continued services of our Key Managerial Personnel, along with support of our Promoter. We have a strong team of qualified professional on the Board of the Company. Thus we depend significantly on our Key Managerial Personnel for executing our day to day activities. The loss of any of our Promoter or Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoter and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Promoter, Directors and Key Managerial Personnel, please refer to chapter “*Our Promoter and Promoter Group*” and “*Our Management*” beginning on page 139 and 125.

32. *Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Red Herring Prospectus which may be lower than the Issue Price.*

Our Company has made the following allotment of fresh Equity Shares to the members of our Company during past 12 months prior to the date of filing of Draft Red Herring prospectus:

- Bonus Issue of 50,00,000 Equity Shares in the ratio of 100:1 to our existing Equity Shareholders vide Shareholders Special Resolution passed in Annual General Meeting of the Company held on November 11, 2020 by capitalization of free reserves.

The Equity Shares allotted to the investors pursuant to this issue may be priced significantly higher due to various factors including better performance by the Company, better economic conditions and passage of time. For details, please refer to section titled “*Capital Structure*” on page 61 of this Draft Red Herring Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

33. *We have registered our trademarks used in our businesses and our inability to protect or maintain these registrations may adversely affect our competitive business position.*

Our Company has filed applications for registration of our Company’s logo  with the Trade Marks Registry for registration under class 35 of the Indian Trademarks Rules, 2002 bearing application no. 4481530 dated March 24, 2020. The current status of the application is Accepted and Advertised. We are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of

such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business.

There can be no assurance that we will be able to obtain the registration of our trademarks in a timely manner, or at all. If our unregistered trademark is registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If our application is objected to, we will not have the right to use this trademark or prevent others from using this trademark or its variations. Our inability to obtain or maintain this trademark in our business thus could adversely affect our reputation, goodwill, business, prospectus and results of operations. For more details on our trademarks please refer to the section titled “*Our Business*” beginning on page 98 of the Draft Red Herring Prospectus.

- 34. *Our Promoter, Directors and Promoter Group Members have provided personal guarantees for overdraft facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoter or Directors and thereby, impact our business and operations.***

Mr. Manish Kumar Dabkara, Promoter and Managing Director, Mr. Naveen Sharma, Whole Time Director, Mrs. Priyanka Dabkara, Non-Executive Director and our Promoter Group Member, Mrs. Vidhya Dabkara, have extended personally guarantee towards overdraft facilities taken by our Company. Any default or failure by us to repay the loan in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoter or Directors of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer to chapter titled “*Statement of Financial Indebtedness*” beginning on page 182 of this Draft Red Herring Prospectus.

- 35. *Our lenders have charge over our immovable properties in respect of finance availed by us.***

We have secured our lender by creating a charge over our immovable properties in respect of overdraft facilities availed by us. We have been extended Overdraft facility from ICICI Bank Limited against hypothecation of our Company’s current assets and land held our company. Further the commercial property owned by Mr. Manish Kumar Dabkara and Mrs. Vidhya Dabkara has also been pledged as collateral security for the overdraft facility availed by our company from ICICI Bank Limited. In the event we default in repayment of the loans / facilities availed and any interest thereof, our properties may be forfeited by the lenders. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, please refer to chapter “*Statement of Financial Indebtedness*” beginning on page 182 of this Draft Red Herring Prospectus.

- 36. *We are required to furnish bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.***

As part of our business it is customary to provide financial and performance bank guarantees in favour of our clients. These guarantees are typically required to be furnished within a few days of the signing of a contract and remain valid up to execution of the contract. We may not be able to continue obtaining new financial and performance bank guarantees required to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees, our ability to enter into new contracts or adequate trade carbon credits could be limited and could have a material adverse effect on our business, results of operations and financial condition. Also, there may be scenarios where we may be unable to fulfill our obligations under the contracts entered into by us in relation to our ongoing projects due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. If any or all the bank guarantees are invoked, it

may result in a material adverse effect on our business and financial condition.

37. *Non-financial Reporting due to lack of measurement standards, systems and assurance does not provide guidance to companies to disclose the effects of climate change on their businesses.*

The current requirements for companies to report on sustainability issues vary widely across jurisdictions. In many countries, Companies have a duty to consider and report on the material social and environmental implications of their business, but there are no formal requirements on what to report. The three main challenges in the reporting of non-financial information are measurement, systems and assurance. There is no clearly defined and globally consistent financial accounting standard to measure carbon emissions or carbon offsets. The majority of systems used to collect non-financial data are either immature or not well established across organizations. Most businesses use simple spreadsheet systems at present, in contrast to the sophisticated systems used for the collection and consolidation of financial information. In absence of organized systems there is no proper check to ensure that the correct data enters the system and that the output is complete, accurate and robust. Credible independent third parties provide assurance over financial information, to provide confidence in its integrity and facilitate the efficient operation of markets. Currently a wide range of service providers exist, from large-scale firms to environmental boutiques, all providing different levels of assurance. Financial sanctions do not yet apply in the sustainability arena.

Thus to reduce measurement risks, companies need to define specific criteria and design a transparent, consistent approach to communicating their outcomes, either through their annual report, sustainability report and/or company website. Non-financial reporting further makes the industry more vulnerable to misinformation and loss of confidence and companies do not get proper guidance to disclose the effects of climate change on their businesses.

38. *We are subject to certain restrictive covenants in overdraft facilities provided to us by our lender.*

We have entered into agreements for availing overdraft facilities from lender ICICI Bank Limited. Certain covenants in these agreements require us to obtain approval/permission from our lender in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

For further details in this regard, please refer to chapter titled '*Statement of Financial Indebtedness*' beginning on page 182 of this Draft Red Herring Prospectus.

39. *Our inability to adapt to the changing needs of the industry and specific requirements of our clients may adversely affect our business prospects, results of operations and financial condition.*

Our future success will depend on our ability to address the changing needs of the industry and specific requirements of our clients in the business excellence advisory services, including evolving latest standard and system of operations and processes. There can be no assurance that we will be able to address these requirements in a cost-effective and timely manner, or at all. We may not have access to advanced resources or technologies or processes and may not succeed in adopting and delivering emerging industry standards and processes in a cost-effective and timely manner. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely and cost-effective manner to changing market conditions, customer requirements or technological changes, our business operations and financial performance could be adversely affected.

40. *Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.*

Our Company has entered into various transactions with our Directors, Promoter and Promoter Group significantly influenced by the Directors of our Company. These transactions, inter-alia include issue of shares, remuneration, rent payments, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, while it is our belief that all our related party transactions have been conducted on an arm's length basis, we

cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to “*Note Z*” on “*Related Party Transactions*” of the Chapter titled “*Financial Information of our Company*” and Chapter titled “*Capital Structure*” beginning on pages 173 and 61 respectively.

41. *Any failure or delay to successfully complete our consultancy project on schedule or within budget could adversely affect our financial condition and results of operations.*

With the expansion of our consultancy business, we routinely engage professionals for regulatory compliances and liaisoning with regulatory authorities. We also provide sustainability reports that present the organization's values and governance model, and demonstrate the link between its strategy and its commitment to a sustainable global economy. We aim to provide satisfactory services to our clients for successful registration of their Project under various GHG mechanism, quality management certification, preparation of electrical safety audit report etc. Our operations are subject to the risks of delay and cost overruns inherent in any project or assignment, due to a number of factors, including:

- Shortage of skilled personnel;
- Failure to update with latest standards
- unforeseen technical or engineering problems;
- work stoppages at client's location;
- unanticipated cost increases; and
- inability to obtain necessary certifications and approvals.

Significant delays could have an adverse effect on anticipated contract commitments or anticipated revenues with respect to service provided. Further, significant cost overruns or delays that are not adequately compensated by clients, could adversely affect our financial condition and results of operations.

42. *Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.*

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We believe that the extent of our insurance coverage is consistent with industry practice. Our significant insurance policies include various insurance policies such as Business Advantage - All Risks Health Insurance, Group Care Policy – to insure our employees, Bundled - Private Car Policy, etc. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part, or in a timely manner. While, we believe that we maintain adequate insurance against losses, however we cannot assure you that such insurance will be adequate to cover the entirety of all potential losses. For further details of insurance availed by us, please refer the chapter titled “*Our Business*” beginning on page 98 of this Draft Red Herring Prospectus.

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

Our Company is engaged in business of providing consultancy services and carbon credit trading, which attracts tax liability such as Goods and Service tax, Income tax, ESI, Provident fund and professional tax as per the applicable provisions of Law. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

44. *We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.*

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on September 30, 2020, our total outstanding indebtedness was Rs. 96.59 Lakhs.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. Increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the Company. For further details regarding our indebtedness, see the Section titled “*Financial Information of our Company*” beginning on page 144

45. *Our Group Companies are engaged in the line of business similar to our Company. There are no non – compete agreements between our Company and such Companies.*

Our Group Companies are engaged in the similar line of business as that of our Company. Further, we have not entered into any non-compete agreement with said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and these Companies in circumstances where our respective interests’ conflict. In cases of conflict, our Promoter may favour their companies in which our Promoter has interest. There can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

46. *Our net cash flows from investing and financial activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.*

Our cash flow from our investing and financing activities has been negative in some years in the past. Below are the details of the cash flows of our company –

(Amount in Rs. Lakhs)

| Particular | September 30, 2020 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|-------------------------------------|--------------------|----------------|----------------|----------------|
| Cash flow from investing Activities | (649.31) | (441.67) | 11.31 | 47.86 |
| Cash flow from Financing Activities | (35.93) | (43.43) | (13.87) | (55.51) |

For details, please see the chapter titled “*Financial Information of our Company*” beginning on page 144 Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

47. *The average cost of acquisition of Equity Shares by our Promoter, is lower than the face value of Equity Share.*

The average cost of acquisition of Equity Shares of our Promoter is lower than the face value of Equity Shares i.e. Rs.10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares of our Promoter in our Company, please see section titled “*Capital Structure*” beginning on page 61.

48. *We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised.*

We intend to use the Net Proceeds of the Issue for the purposes described in “*Objects of the Issue*” beginning on page 76 of this Draft Red Herring Prospectus. The Objects of the Issue and our funding requirement and working capital requirements is based on management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. We cannot assure you that we will be able to utilise the amounts earmarked for working capital requirements for our projects as on date or in the future. Our management, in accordance with the

policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds of the Issue. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our management estimates may exceed our funding requirements, which may require us to reschedule or reallocate our expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

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

The proposed fund requirement for our business, as detailed in the section titled "*Objects of the Issue*" is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the operations. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "*Objects of the Issue*" beginning on page 76 of this Draft Red Herring Prospectus.

- 50. *Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, and capital expenditures.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the chapter titled "*Dividend Policy*" beginning on page 143.

- 51. *There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs.10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

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

Our Promoter along with the promoter group will continue to hold collectively almost 73.47% of the Post Issue Equity Share Capital of our Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

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

The issue price of the equity shares have been based on many factor and may not be indicative of the

market price of our Equity Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 81. 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.

54. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid period and withdraw their Bids until Bid Closing Date. While our Company is required to complete Allotment pursuant to the issue within six working days from the Bid Closing Date, events affecting the Bidders decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, result of operations, or financial conditions may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

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

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

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months shall be subject to capital gains tax in India at 10% of such capital gain exceeding Rs.1 lakh if Securities Transaction Tax (STT) has been paid on both acquisition and transfer of such shares. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. However, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. For more details, please refer to “*Statement of Tax Benefits*” beginning on page 84.

EXTERNAL RISK FACTORS

57. *Retreat of any of the developed nations from Kyoto Protocol or inflexibility in the Paris Agreement may impact the carbon credit trading business.*

The business model of carbon credit trading has evolved pursuant to compliance of compulsory offsetting of carbon footprints by the developed nations. The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing Green House Gases (GHGs) that cause climate change. The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). Under the Paris Agreement, countries with low emissions would be allowed to sell their exceeding allowance to larger emitters, with an overall cap of greenhouse gas (GHG) emissions, ensuring their net reduction. Supply and demand for

emissions allowances would lead to the establishment of a global carbon price that would tie the negative externalities of GHG emissions to polluters. In other words, by paying a price on carbon, states exceeding their NDCs would bear the costs of global warming.

Unlike the Kyoto Protocol, which established legally binding emissions reduction targets (as well as penalties for noncompliance) for developed nations only, the Paris Agreement requires that all countries—rich, poor, developed, and developing—do their part and slash greenhouse gas emissions. To that end, greater flexibility is built into the Paris Agreement. If any of the developed nations quit the binding Kyoto protocol or the flexibility in Paris Agreement is withdrawn, it will adversely affect our business operations. Moreover the overall business of carbon credit trading has evolved under the Kyoto Protocol and has further grown with introduction of more flexibility in Paris Agreement. Any dissolution, adverse change in terms and conditions or applicability of the Kyoto Protocol or articles of Paris Agreement will slowdown our business operations or may require us to adhere to new regulatory framework which may involve time, money and may adversely affect the business operations of our Company.

58. *Our business is dependent on the Indian and global economy.*

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India and abroad, which may be materially and adversely affected by political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

59. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.*

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Government and Other Approvals**" beginning on page 198 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.

61. Instability in financial markets could materially and adversely affect our results of operations and financial conditions.

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

62. Natural or man-made calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.

The recent outbreak of the corona virus (COVID-19) has brought considerable human suffering and major economic disruption in the entire India as well as in other Countries. In line with the overall Economic scenario worldwide the entire segments of business of our Company have also been affected adversely. The said worldwide turmoil may impose further adverse effect on our business, revenues and profitability. Further in recent years, India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in various states. Prolonged spells of abnormal rainfall or other natural or man-made calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

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

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

64. Our performance is linked to the stability of policies and the political situation in India. Any change in political situation in India could impact the market price of our shares on the stock exchange.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies.

However, there can be no assurance that such policies will be continued and a significant change in the

government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

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

SECTION IV – INTRODUCTION

THE ISSUE

| PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS | |
|---|---|
| Equity Shares Offered through Public Issue^{(1) (2)} | Upto 18,24,000* Equity Shares aggregating up to Rs. [●] lakhs |
| Of which: | |
| Issue Reserved for the Market Makers | Upto 96,000 Equity Shares aggregating up to Rs. [●] lakhs |
| Net Issue to the Public⁽³⁾ | Upto [●] Equity Shares aggregating up to Rs. [●] lakhs |
| Of which | |
| A. QIB Portion ^{(4) (5)} | Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs |
| <i>Of Which</i> | |
| Anchor Investor Portion | Upto [●] Equity Shares aggregating up to Rs. [●] lakhs |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Upto [●] Equity Shares aggregating up to Rs. [●] lakhs |
| <i>Of Which</i> | |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Upto [●] Equity Shares aggregating up to Rs. [●] lakhs |
| Balance of QIB Portion for all QIBs including Mutual Funds | Upto [●] Equity Shares aggregating up to Rs. [●] lakhs |
| B. Non-Institutional Portion | Not less than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors |
| C. Retail Portion | Not less than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors |
| Pre and Post – Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 50,50,000 Equity Shares |
| Equity Shares outstanding after the Issue | 68,74,000 Equity Shares |
| Use of Net Proceeds by our Company | Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 76 of this Draft Red Herring Prospectus. |

* Number of shares may need to be adjusted for lot size upon determination of issue price.

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 04, 2020 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on November 11, 2020
- 3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not

less than 35% of the Net Issue shall be available for allocation to Non institutional bidders and Not less than 15% of the Net Issue shall be available for allocation to Retail Individual Investors.

- 4) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

- 5) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled "***Issue Procedure***" beginning on page 230.

SUMMARY OF OUR FINANCIALS

ANNEXURE-I
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

| PARTICULARS | | NOTES | As at the Year/Period ended | | | |
|-------------|--------------------------------|----------|-----------------------------|-----------------|---------------|---------------|
| | | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| A) | EQUITY AND LIABILITIES | | | | | |
| | | | | | | |
| 1. | Shareholders' Funds | | | | | |
| (a) | Share Capital | A | 5.00 | 5.00 | 5.00 | 5.00 |
| (b) | Reserves & Surplus | A | 1,145.59 | 607.02 | 159.57 | 91.53 |
| | | | 1,150.59 | 612.02 | 164.57 | 96.53 |
| 2. | Non Current Liabilities | | | | | |
| (a) | Long Term Borrowings | B | 82.76 | 91.04 | - | 35.67 |
| (b) | Deferred Tax Liabilities (Net) | C | - | 1.24 | - | - |
| (c) | Long Term Provisions | D | 14.80 | 6.88 | 6.61 | 6.61 |
| | | | 97.56 | 99.16 | 6.61 | 42.28 |
| 3. | Current Liabilities | | | | | |
| (a) | Short Term Borrowings | E | 0.79 | 1.89 | 127.42 | 97.86 |
| (b) | Trade Payables | F | 868.00 | 720.35 | 86.18 | 26.35 |
| (c) | Other Current Liabilities | G | 13.83 | 12.98 | 0.00 | 0.82 |
| (d) | Short Term Provisions | H | 55.41 | 163.28 | 27.53 | 12.76 |
| | | | 938.03 | 898.50 | 241.13 | 137.79 |
| | | | | | | |
| | Total | | 2,186.19 | 1,609.68 | 412.31 | 276.60 |
| B) | ASSETS | | | | | |
| 1. | Non-Current Assets | | | | | |
| (a) | Property, Plant & Equipment | I | | | | |
| | D) Tangible Assets | | | | | |
| | (i) Gross Block | | 173.41 | 164.76 | 24.05 | 17.26 |
| | (ii) Depreciation | | 48.74 | 29.50 | 10.18 | 5.32 |
| | (iii) Net Block | | 124.67 | 135.25 | 13.87 | 11.94 |
| (b) | Non-Current Investments | J | 304.81 | 295.96 | - | - |
| (c) | Deferred Tax Assets (Net) | C | 1.03 | - | 2.22 | 2.16 |
| (d) | Long-Term Loans & Advances | K | 8.60 | - | - | - |
| (e) | Other Non-Current Assets | L | 29.36 | 21.51 | 14.39 | 20.04 |
| | | | 468.47 | 452.72 | 30.48 | 34.14 |
| 2. | Current Assets | | | | | |
| (a) | Trade Receivables | M | 584.56 | 430.01 | 246.95 | 169.98 |
| (b) | Cash and Cash equivalents | N | 328.29 | 191.97 | 63.19 | 47.50 |
| (c) | Current Investments | O | 638.91 | 8.95 | 0.11 | - |
| (d) | Short-Term Loans and Advances | P | 57.57 | 139.17 | 0.63 | - |
| (e) | Other Current Assets | Q | 108.39 | 386.86 | 70.95 | 24.98 |
| | | | 1,717.72 | 1,156.96 | 381.83 | 242.46 |
| | | | | | | |
| | Total | | 2,186.19 | 1,609.68 | 412.31 | 276.60 |

ANNEXURE- II

RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

| PARTICULARS | Annexure | For the Year/ period ended | | | |
|---|----------|----------------------------|-----------------|-----------------|---------------|
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| 1 Revenue From Operations | R | 5,990.33 | 6,590.44 | 1,975.57 | 698.68 |
| 2 Other Income | S | 6.01 | 11.46 | 12.56 | 2.33 |
| Total Revenue (1+2) | | 5,996.34 | 6,601.90 | 1,988.13 | 701.01 |
| 3 Expenditure | | | | | |
| (a) Purchases & Operating Expenses | T | 4,724.32 | 5,310.38 | 1,591.10 | 489.67 |
| (b) Employee Benefit Expenses | U | 306.58 | 451.29 | 153.25 | 74.42 |
| (c) Finance Cost | V | 17.95 | 8.94 | 7.76 | 24.65 |
| (d) Depreciation and Amortisation Expenses | W | 19.24 | 19.82 | 4.87 | 5.32 |
| (e) Other Expenses | X | 208.52 | 217.27 | 139.50 | 71.13 |
| 4 Total Expenditure 3(a) to 3(f) | | 5,276.62 | 6,007.71 | 1,896.49 | 665.20 |
| 5 Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4) | | 719.72 | 594.19 | 91.64 | 35.81 |
| 6 Exceptional item | | - | - | - | - |
| 7 Profit/(Loss) Before Tax (5-6) | | 719.72 | 594.19 | 91.64 | 35.81 |
| 8 Tax Expense: | | | | | |
| (a) Tax Expense for Current Year | | 183.41 | 143.28 | 23.67 | 10.96 |
| (b) Deferred Tax | | (2.27) | 3.47 | (0.07) | (2.07) |
| Net Current Tax Expenses | | 181.14 | 146.74 | 23.60 | 8.90 |
| 9 Profit/(Loss) for the Year (5-6) | | 538.58 | 447.45 | 68.04 | 26.91 |
| 10 Earning per Equity Share | | | | | |
| (Nominal Value of Share Rs. 10 each) | | | | | |
| (a) Basic EPS (Rs. Per Share) | | 10.66 | 8.86 | 1.35 | 0.53 |
| (b) Diluted EPS (Rs. Per Share) | | 10.66 | 8.86 | 1.35 | 0.53 |

ANNEXURE III

RESTATED CASH FLOW STATEMENT

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED | | | |
|--|--------------------|-----------------|-----------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 719.72 | 594.19 | 91.64 | 35.81 |
| Adjustment for : | | | | |
| Depreciation and amortization | 19.24 | 19.82 | 4.87 | 5.32 |
| Interest Paid | 17.95 | 8.94 | 7.76 | 24.65 |
| Prior Period Adjustments in General Reserves | | - | - | (0.03) |
| Other Non-Operating Income | (6.01) | (11.46) | (12.56) | (2.33) |
| Operating profit before working capital changes | 750.90 | 611.49 | 91.71 | 63.42 |
| Changes in Working Capital | | | | |
| Decrease / (Increase) in Trade Receivables | (154.55) | (183.06) | (76.97) | (28.37) |
| Decrease / (Increase) in Short-Term Loans & Advances | 81.60 | (138.54) | (0.63) | - |
| Decrease / (Increase) in Other Current Assets | 278.47 | (315.91) | (45.97) | (6.39) |
| Increase / (Decrease) in Long-Term Provisions | 7.92 | 0.27 | - | 6.61 |
| Increase / (Decrease) in Trade Payables | 147.65 | 634.17 | 59.83 | 20.99 |
| Increase / (Decrease) in Short-Term Provisions | (107.87) | 135.75 | 14.77 | 3.79 |
| Increase / (Decrease) in Other Current Liabilities | 0.85 | 12.98 | (0.82) | - |
| Cash generated from operations | 1,004.97 | 757.15 | 41.92 | 60.05 |
| Less:- Income Taxes paid | 183.42 | 143.28 | 23.67 | 10.97 |
| Net cash flow from operating activities | A | 821.55 | 613.87 | 18.25 |
| B) Cash Flow From Investing Activities : | | | | |
| Sale of Tangible Assets | - | 0.07 | - | - |
| Purchase of Tangible Assets | (8.65) | (141.28) | (6.79) | (6.03) |
| Decrease / (Increase) in Non-Current Investment | (8.85) | (295.96) | - | - |
| Decrease / (Increase) in Current Investment | (629.96) | (8.84) | (0.11) | - |
| Decrease / (Increase) in Other Non-Current Assets | (7.85) | (7.12) | 5.65 | 51.57 |
| Other non-Operating Income | 6.01 | 11.46 | 12.56 | 2.32 |
| Net cash flow from investing activities | B | (649.31) | (441.67) | 11.31 |
| C) Cash Flow From Financing Activities : | | | | |
| Interest Expense on Borrowing | (17.95) | (8.94) | (7.76) | (24.65) |
| Increase / (Decrease) in Long-Term Borrowings | (8.28) | 91.04 | (35.67) | (110.85) |
| Increase / (Decrease) in Short-Term Borrowings | (1.10) | (125.53) | 29.56 | 79.99 |
| Increase / (Decrease) in Long-Term Loans & Advances | (8.60) | - | - | - |

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Net cash flow from financing activities | C | (35.93) | (43.43) | (13.87) | (55.51) |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (A+B+C) | 136.33 | 128.78 | 15.68 | 41.42 |
| Cash equivalents at the beginning of the year | | 191.97 | 63.19 | 47.50 | 6.08 |
| Cash equivalents at the end of the year | | 328.29 | 191.97 | 63.19 | 47.50 |

Notes:-

| 1. | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
|----|--|-----------------|-----------------|-----------------|-----------------|
| | Component of Cash and Cash equivalents | | | | |
| | Cash on hand | 5.79 | 5.84 | 5.67 | 3.75 |
| | Balance With banks | 322.50 | 174.11 | 57.52 | 43.75 |
| | Other Bank Balance | - | 12.02 | - | - |
| | Total | 328.29 | 191.97 | 63.19 | 47.50 |
| 2. | Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. | | | | |
| 3. | The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement. | | | | |

GENERAL INFORMATION

Our Company was incorporated as EKI Energy Services Limited, under the provisions of the Companies Act, 1956, vide certificate of incorporation dated May 03, 2011 bearing CIN: U74200MP2011PLC025904 issued by the Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh. Our Company received its certificate of commencement of business on May 06, 2011 issued by Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh.

Mr. Manish Kumar Dabkara, Mrs. Vidhya Dabkara, Mrs. Priyanka Dabkara, Mr. Anand Kumar Pandey, Mr. Naveen Sharma, Mrs. Poorvi Joshi, Mr. Abhishek Sinha, Mr. Atul Pachori and Mr. Girish Chulet were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 121 of this Draft Red Herring Prospectus.

Registered Office:

EKI Energy Services Limited
201, Plot No. 48, Scheme No. 78, Part-II,
Vijay Nagar (Near Brilliant Convention Centre)
Indore -452010, Madhya Pradesh, India.
Tel. No. 0731-4289086
E-mail: business@enkingint.org
Website: www.enkingint.org
CIN: U74200MP2011PLC025904
Registration Number: 025904

Address of the RoC:

Registrar of Companies, Gwalior
3rd Floor, 'A' Block, Sanjay Complex
Jayendra Ganj, Gwalior
Tel No: 0751-2321907
Email id: roc.gwalior@mca.gov.in
Website: www.mca.gov.in

Board of Directors of our Company:

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

| Name | Designation | Address | DIN |
|---|------------------------------|--|----------|
| Mr. Manish Kumar Dabkara | Chairman & Managing Director | Plot No. 48, Scheme 78 Part 2, Vijay Nagar, Near Brilliant Convention Centre, Indore-452010, Madhya Pradesh- India | 03496566 |
| Mr. Naveen Sharma | Whole-time Director | B-2, Flat No. 304, Sagar Avenue Mahaveer Colony Near Kalpi Bridge Morar, Gwalior Gird, Gwalior, Madhya Pradesh, India- 474005 | 07351558 |
| Mrs. Sonali Sheikh | Whole-time Director | 123, Juna Risala, Gali No. 2 Indore Madhya Pradesh India 452001 | 08219665 |
| Mrs. Priyanka Dabkara (w/o of Manish Kumar Dabkara) | Non-Executive Director | Enking Embassy Plot No. 48, Scheme No. 78 Part 2 Near Brilliant Convention Centre, Vijay Naga Indore Madhya Pradesh India 452010 | 08634736 |
| Mr. Ritesh Gupta | Independent Director | 11-A, Chandra Nagar, M.R.9.A.B. Road, Indore, Madhya Pradesh-452011-India | 00223343 |
| Mr. Burhanuddin Ali Husain Maksi Wala | Independent Director | 1213, Nurani Nagar Bank, Village Bank, Tehsil Indore, District Indore, Madhya Pradesh-452002, India | 08326766 |

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 125 of this Draft Red Herring Prospectus.

Chief Financial Officer

Mrs. Sonali Sheikh
 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar
 (Near Brilliant Convention Centre) Indore, Mp-452010
 Tel. No: 0731-4289086
 E-mail: sonali@enkingint.org
 Website: www.enkingint.org

Company Secretary & Compliance Officer

Ms. Itisha Sahu
 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar
 (Near Brilliant Convention Centre) Indore, Mp-452010
 Tel. No: 0731-4289086
 E-mail: cs@enkingint.org
 Website: www.enkingint.org

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

Details of Key Intermediaries pertaining to this Issue and Our Company:

| Book Running Lead Manager | Legal Advisor to the Issue |
|---|---|
| <p>Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel No.:+91-22-4906 0000 Fax No.:+91-22-22625991 Email:jb@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website:www.hemsecurities.com Contact Person: Mr. Anil Bhargava SEBI Regn. No.:INM000010981</p> | <p>VEDANTA LAW CHAMBERS Address: Ist Floor, SSK House, B-62, Sahakar Marg, Lal Kothi, Jaipur-302015 Rajasthan, India Tel: +91- 141 -2740911, +91- 141 -4014091 Fax: +91- 141 -2740911 Website: www.vedantalawchambers.com Email: vedantalawchambers@gmail.com Contact Person: Advocate Nivedita Ravindra Sarda</p> |
| Registrar to the Issue | Statutory Auditors |

| | |
|---|---|
| <p>Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059, India. Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8280 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Mr. Arvind Tandel Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534</p> | <p>DN Jhamb & Co. Chartered Accountants Address:- 006, Durga Complex, 2nd Floor, A-4 Navlakha Main Road, Near Agrasen Square, Indore (M.P.) 452001 Tel No: 9826814580 Email: dnjhambandcompany@gmail.com Firm Registration No.: 019675C Contact Person: Devki Nandan Jhamb Membership No.: 079696</p> |
| Bankers to the Company | Bankers to the Issue/Refund Banker/ Sponsor Banker |
| <p>ICICI Bank Ltd 4, Choti Khajrani Malav Parisar AB Road Indore – 452008 Telephone – 0731-4241158 Email – Tushar.garud@icicibank.com Contact Person – Tushar Garud Designation – Solution Manager – SMEG</p> | <p>ICICI Bank Ltd Address: Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 Telephone: 022- 66818911/23/24 Fax No: 022- 22611138 Email – kmr.saurabh@icicibank.com Website: www.icicibank.com Contact Person: Mr. Saurabh Kuma SEBI Registration Number: INBI00000004</p> |
| Syndicate Member | |
| <p>Hem Finlease Private Limited Address: 203, Jaipur Tower, M I Road, Jaipur Telephone: 0141-4051000 Email: ib@hemsecurities.com Website: www.hemsecurities.com Contact Person: Mr. Anil Bhargava SEBI Registration Number: INZ000167734</p> | |

Designated Intermediaries

Self-Certified Syndicate Banks (SCSB's)

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

Syndicate SCSB Branches

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

Investors Banks or Issuer Banks for UPI

The lists of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above – mentioned SEBI link.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Expert Opinion

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 144 and 84 respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditors for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

Inter-se Allocation of Responsibilities

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

Monitoring Agency

Since the proceeds from the Fresh Issue do not exceed Rs. 1,000 million, in terms of Regulation 262(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Appraising Entity

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

Credit Rating

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

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Issue.

Trustees

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

Filing of Draft Red Herring Prospectus

The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI (ICDR) Regulations, 2018. However, pursuant to Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a soft copy of Draft Red Herring Prospectus shall be furnished to SEBI.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus/Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to Registrar of Companies, Gwalior, 3rd Floor, “A” Block, Sanjay Complex Jayendra Ganj, Gwalior.

Book Building Process

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

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

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

The Issue is being made through the Book Building Process wherein 50 % of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

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

Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “**Issue Procedure**” beginning on page 230 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 230 of this Draft Red Herring Prospectus.

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.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page 230 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.

- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program:

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

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

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

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

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public 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 Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, 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 Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof.

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

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registering of the Prospectus with the RoC.

UNDERWRITING

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriters [•]

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

| Details of the Underwriter(s) | No. of shares underwritten | Amount Underwritten (Rs. in Lakhs) | % of Total Issue Size Underwritten |
|-------------------------------|----------------------------|------------------------------------|------------------------------------|
| [•] | [•] | [•] | [•] |

**Includes up to 96,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

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

| Details of Auditor | Date of Change | Reason |
|---|-------------------|--|
| Anmol Bohra & Co. Chartered Accountants Address: 409-A, Prem Trade Centre, Maharani | November 04, 2020 | Resignation due to Pre Occupation in other audit assignments |

| | | |
|--|-------------------|-------------|
| Road, Indore-452007 (M.P.) Tel. No.: 0731-2431978 Email: bohra_ab@yahoo.co.in Firm Registration No.: 01421C Contact Person: Anmol Bohra Membership No.:409539 | | |
| DN Jhamb & Co. Chartered Accountants Address:- 006, Durga Complex, 2nd Floor, A-4 Navlakha Main Road, Near Agrasen Square, Indore (M.P.) 452001 Tel No: 9826814580 Email: dnjhambandcompany@gmail.com Firm Registration No.: 019675C Contact Person: Devki Nandan Jhamb Membership No.: 079696 | November 11, 2020 | Appointment |

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated January 25, 2021 and addendum thereon dated March 09, 2021 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

| | |
|--------------------------------------|--|
| Name | Hem Finlease Private Limited |
| Correspondence Address: | 203, Jaipur Tower, M I Road, Jaipur |
| Tel No.: | 0141-4051000 |
| E-mail: | ib@hemsecurities.com |
| Website: | www.hemsecurities.com |
| Contact Person: | Mr. Anil Bhargava |
| SEBI Registration No.: | INZ000167734 |
| Market Maker Registration No. | SMEREG2020090906741 |

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

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

- The Market Maker(s) (individually or jointly) 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(s).
- 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 the SME Platform of BSE and SEBI from time to time.
- The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(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.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE (in this case currently the minimum trading lot size is [●] Equity shares; however the same may be changed by the SME Platform of BSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to

consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.

- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, SME Platform of BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.
- In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. SME Platform of BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during 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 to Rs.50 Crore | 20% | 19% |
| Rs.50 to Rs.80 Crore | 15% | 14% |
| Above Rs.80 Crore | 12% | 11% |

- 1) The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

| S. No. | Market Price Slab (in Rs.) | Proposed Spread (in % to sale price) |
|---------------|-----------------------------------|---|
| 1. | Up to 50 | 9 |
| 2. | 50 to 75 | 8 |
| 3. | 75 to 100 | 6 |
| 4. | Above 100 | 5 |

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

CAPITAL STRUCTURE

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

(Rs. in Lacs, except share data)

| Sr. No. | Particulars | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|---------|---|-------------------------------|--------------------------------|
| A | Authorized Share Capital 75,00,000 Equity Shares having Face Value of Rs. 10/- each | 750.00 | - |
| B | Issued, Subscribed & Paid-up Share Capital prior to the Issue 50,50,000 Equity Shares having Face Value of Rs.10/- each | 505.00 | - |
| C | Present Issue in terms of this Draft Red Herring Prospectus* Upto 18,24,000 Equity Shares having Face Value of Rs. 10/-each at a Premium of Rs. [●] per share | 182.40 | [●] |
| | <i>Which comprises of:</i> | | |
| D | Reservation for Market Maker Portion 96,000 Equity Shares of Rs.10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion | 9.60 | [●] |
| E | Net Issue to Public Net Issue to Public of 17,28,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public | 172.80 | [●] |
| | <i>Of which:</i> | | |
| (i) | At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors | [●] | [●] |
| (ii) | At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors | | |
| (ii) | Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds. | [●] | [●] |
| F | Issued, Subscribed and Paid up Equity Share Capital after the Issue | | |
| | 68,74,000 Equity Shares of face value of Rs.10/- each | | [●] |
| G | Securities Premium Account | | |
| | Before the Issue (as on date of this Draft Red Herring Prospectus) | | Nil |
| | After the Issue | | [●] |

**The Present Issue of upto 18,24,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated November 04, 2020 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Annual General Meeting of the members held on November 11, 2020*

Classes of Shares

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

NOTES TO THE CAPITAL STRUCTURE

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

| S. No. | Particulars of increase | Cumulative No. of Equity Shares | Cumulative Authorized Share Capital (Rs. in lakhs) | Date of Meeting | Whether AGM/EGM |
|--------|-------------------------|---------------------------------|---|------------------|-----------------|
| 1. | On incorporation | 50,000 | 5.00 | On incorporation | N.A. |
| 2. | Increase in | 75,00,000 | 750.00 | November 11, | AGM |

| | | | | | |
|--|--|--|--|------|--|
| | Authorised Share Capital from Rs. 5.00 Lakhs to Rs. 750.00 Lakhs | | | 2020 | |
|--|--|--|--|------|--|

2. Equity Share Capital History of our Company:

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

| Date of Allotment of Equity Shares | No. of Equity Shares allotted | Face Value (Rs.) | Issue Price (including Premium if applicable (Rs.)) | Consideration Cash/ Other than Cash | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Securities Premium (Rs.) | Cumulative Paid Up Capital (Rs.) |
|------------------------------------|-------------------------------|------------------|---|-------------------------------------|--|---------------------------------|-------------------------------------|----------------------------------|
| Upon Incorporation | 50,000 | 10 | 10 | Cash | Subscription to MOA ⁽ⁱ⁾ | 50,000 | Nil | 5,00,000 |
| November 28, 2020 | 50,00,000 | 10 | - | Non-Cash | Bonus Shares in the ratio of 100:1 ⁽ⁱⁱ⁾ | 50,50,000 | - | 5,05,00,000 |

(i) Initial Subscribers to the Memorandum of Association subscribed 50,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

| S. No. | Name of Subscribers | Number of Shares Subscribed |
|--------|--|-----------------------------|
| 1. | Mr. Manish Kumar Dabkara | 35,000 |
| 2. | Mrs. Vidhya Dabkara | 10,000 |
| 3. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 2,500 |
| 4. | Mr. Anand Kumar Pandey | 2,000 |
| 5. | Mr. Naveen Sharma | 100 |
| 6. | Mrs. Poorvi Joshi | 100 |
| 7. | Mr. Abhishek Sinha | 100 |
| 8. | Mr. Atul Pachori | 100 |
| 9. | Mr. Girish Chulet | 100 |

(ii) Bonus issue of 50,00,000 Equity Shares of Face Value of Rs. 10/-each in the ratio of 100:1 i.e. Hundred (100) Bonus Equity Shares for every One (1) Equity Share held by shareholders. (refer point no. 3 below for allottees list)

All the above-mentioned shares are fully paid up since the date of allotment

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

3. Issue of Equity Shares for consideration other than cash

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

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reason for Allotment | Benefits Accrued to our Company | Name of Allottees | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|----------------------|---------------------------------|--------------------------|------------------------|
| November 28, 2020 | 50,00,000 | 10 | - | Bonus in the | Capitalization of Reserves | Mr. Manish Kumar Dabkara | 35,00,000 |

| | | | | | | | |
|--|--|--|--|---|-------------|--|-----------|
| | | | | ratio of 100:1 i.e. 100 Equity Share for every 1 Equity Shares held | & Surplus** | Mrs. Vidhya Dabkara | 10,00,000 |
| | | | | | | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,30,000 |
| | | | | | | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,90,000 |
| | | | | | | Mr. Naveen Sharma | 35,000 |
| | | | | | | Mrs. Sonali Sheikh | 35,000 |
| | | | | | | Mrs. Shweta Porwal | 10,000 |

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

4. Details of Allotment made in the last two years preceding the date of Draft Red Herring Prospectus:

Except as set out below we have not issued any Equity Shares in the last two years preceding the date of the Draft Red Herring Prospectus

| Date of Allotment/ Date of fully Paid up | No of Equity Shares | Cumulative No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Cumulative Securities Premium Account | Cumulative Paid up Capital (Rs.) | Consideration | Nature of Issue |
|--|---------------------|---------------------------------|------------------|-------------------|---------------------------------------|----------------------------------|---------------|--|
| November 28, 2020 | 50,00,000 | 50,50,000 | 10 | - | - | 5,05,00,000 | Nil | Bonus in the ratio of 100:1 i.e. 100 Equity Share for every 1 Equity Shares held |

- No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- Except for the Bonus Issue made on November 28, 2020 for 50,00,000 Equity Shares as mentioned in point no. 3 above, no Equity shares have been issued at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Shareholding Pattern of the Company**

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

I - Our Shareholding Pattern:-

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|----------------------------|----------------------|---|--|--|------------------------|--|---|-------------|------------------|-------------------------|---|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class Equity Shares of Rs.10/- each^ | Class eg: y | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII = IV+V+VI | VIII | IX | | | | X | XI=VII+X | XII | XIII | XIV | | |
| (A) | Promoter & Promoter Group | 7 | 50,50,000 | - | - | 50,50,000 | 100.00 | 50,50,000 | - | 50,50,000 | 100.00 | - | 100.00 | - | - | - | 50,50,000 | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares held by Emp. Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | 7 | 50,50,000 | - | - | 50,50,000 | 100.00 | 50,50,000 | - | 50,50,000 | 100.00 | - | 100.00 | - | - | - | 50,50,000 | |

Notes-

*As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote. We have only one class of Equity Shares of face value of Rs. 10/- each.

Our Company has entered into a tripartite agreement with NSDL and Registrar and Share Transfer Agent dated January 20, 2021

We had entered into tripartite agreement with our CDSL and Share Transfer Agent dated January 22, 2021.

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

II – Shareholding pattern of the Promoter and Promoter Group

| S.No | Category & Name of the Shareholders | No. of share holders | No. of fully paid up equity shares held | Partly paid-up equity shares held | Nos. of shares underlying Depository Receipts | Total nos. shares held | Shareholding (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise | | Number of equity shares held in dematerialized form |
|------|--|----------------------|---|-----------------------------------|---|------------------------|---|---|---------|-----------|-------------------------------------|--|--|----------------------------|---------------------------------|---------------------------------------|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of Total Voting rights | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total shares held (b) | |
| | | | | | | | | Class Equity Shares of Rs.10/- each | Class Y | Total | | | | | | | | |
| | I | II | III | IV | V | VI=IV+V+VI | VII | VIII | | | | IX | X = VI+ IX | XI | | XII | | XIII |
| (1) | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individuals/ Hindu undivided Family | 7 | 50,50,000 | - | - | 50,50,000 | 100.00 | 50,50,000 | - | 50,50,000 | 100.00 | - | 100.00 | - | - | - | - | 50,50,000 |
| | Mr. Manish Kumar Dabkara | 1 | 35,35,000 | - | - | 35,35,000 | 70.00 | 35,35,000 | - | 35,35,000 | 70.00 | - | 70.00 | - | - | - | - | 35,35,000 |
| | Mrs. Vidhya Dabkara | 1 | 10,10,000 | - | - | 10,10,000 | 20.00 | 10,10,000 | - | 10,10,000 | 20.00 | - | 20.00 | - | - | - | - | 10,10,000 |
| | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1 | 1,31,300 | - | - | 1,31,300 | 2.6 | 1,31,300 | - | 1,31,300 | 2.6 | - | 2.6 | - | - | - | - | 1,31,300 |
| | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 1 | 2,92,900 | - | - | 2,92,900 | 5.8 | 2,92,900 | - | 2,92,900 | 5.8 | - | 5.8 | - | - | - | - | 2,92,900 |
| | Mr. Naveen Sharma | 1 | 35,350 | - | - | 35,350 | 0.7 | 35,350 | - | 35,350 | 0.7 | - | 0.7 | - | - | - | - | 35,350 |
| | Mrs. Sonali Sheikh | 1 | 35,350 | - | - | 35,350 | 0.7 | 35,350 | - | 35,350 | 0.7 | - | 0.7 | - | - | - | - | 35,350 |

| | | | | | | | | | | | | | | | | |
|-----|---|----------|------------------|----------|----------|------------------|---------------|------------------|----------|------------------|---------------|----------|---------------|----------|----------|------------------|
| | Mrs. Shweta Porwal | 1 | 10,100 | - | - | 10,100 | 0.2 | 10,100 | - | 10,100 | 0.2 | - | 0.2 | - | - | 10,100 |
| (b) | Central Government/ State Government(s) | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Financial Institutions/ Banks | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Any Other | | | | | | | | | | | | | | | |
| | Body Corporate | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A)(1) | 7 | 50,50,000 | - | - | 50,50,000 | 100.00 | 50,50,000 | - | 50,50,000 | 100.00 | - | 100.00 | - | - | 50,50,000 |
| (2) | Foreign | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (a) | Individuals (Non- Resident Individuals/ Foreign Individuals) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | Government | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A)(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 7 | 50,50,000 | - | - | 50,50,000 | 100.00 | 50,50,000 | - | 50,50,000 | 100.00 | - | 100.00 | - | - | 50,50,000 |

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

III- Shareholding pattern of the Public shareholder

| S.No. | Category & Name of the Shareholders | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | Nos. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|-------|-------------------------------------|---------------------|---|-----------------------------------|---|------------------------|--|--|---------|-------|-------------------------------------|--|--|----------------------------|---------------------------------|--|--|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of Total Voting rights | | | No. (a) | As a % of total shares held (b) | No. (not applicable) (a) | As a % of total shares held (not applicable) (b) | |
| | | | | | | | | Class Equity Shares of Rs.10/- each | Class Y | Total | | | | | | | | |
| | I | II | III | IV | V | VI=III+IV+V | VII | VIII | | | | IX | X= VI+IX | XI | | XII | | XIII |
| (1) | Institutions | | | | | | | | | | | | | | | | | |
| (a) | Mutual Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | Venture Capital Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Alternate Investment Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Foreign Portfolio Investors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (f) | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (g) | Insurance Companies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (h) | Provident Funds/ Pension Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (i) | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub-Total (B)(1) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (2) | Central Government/ State Government(s)/ President of India | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub-Total (B)(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (3) | Non-institutions | | | | | | | | | | | | | | | |
| (a) | Individuals | | | | | | | | | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | NBFCs registered with RBI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Any Other Body Corporate | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub-Total (B)(3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

IV - Shareholding pattern of the Non-Promoter- Non Public shareholder

| S.No. | Category & Name of the Shareholders | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | Nos. of shares underlying Depository Receipts | Total nos. shares held | Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in Share dematerialized form (Not applicable) | |
|-------|--|---------------------|---|-----------------------------------|---|------------------------|---|--|----------|----------|--|---|-------------------------------------|----------|--|----------------------|--|--|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of Total Voting rights | No. | As a % of total Shares held | No. (not applicable) | | As a % of total shares held (not applicable) |
| | | | | | | | | Class Equity Shares of Rs.10/- each | Class Y | Total | | | | | | | | |
| | I | II | III | IV | V | VI=III+IV+V | VII | VIII | | | IX | X= VI+IX | XI | XII | | XIII | | |
| (1) | Custodian/DR Holder | | | | | | | | | | | | | | | | | |
| (a) | Name of DR Holder (if available) | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub Total (c) (1) | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub Total (C) (2) | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total Non-Promoter Non-Public shareholding (C)= (C)(1)+ (C) (2) | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

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

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

| S.No | Names of Shareholder | Shares Held (Face Value of Rs. 10 each) | % Pre Issue paid up Share Capital |
|------|--|---|-----------------------------------|
| 1. | Mr. Manish Kumar Dabkara | 35,35,000 | 70.00 |
| 2. | Mrs. Vidhya Dabkara | 10,10,000 | 20.00 |
| 3. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,92,900 | 5.80 |
| 4. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,31,300 | 2.60 |
| | Total | 49,69,200 | 98.40 |

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

| S.No | Names of Shareholder | Shares Held (Face Value of Rs. 10 each) | % Pre Issue paid up Share Capital |
|------|--|---|-----------------------------------|
| 1. | Mr. Manish Kumar Dabkara | 35,35,000 | 70.00 |
| 2. | Mrs. Vidhya Dabkara | 10,10,000 | 20.00 |
| 3. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,92,900 | 5.80 |
| 4. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,31,300 | 2.60 |
| | Total | 49,69,200 | 98.40 |

c) Our Year prior to the date of filling of this Draft Red Herring Prospectus: -

| S.No | Names of Shareholders | Shares Held (Face Value of Rs. 10 each) | % Pre-Offer paid up Share Capital |
|------|--|---|-----------------------------------|
| 1. | Mr. Manish Kumar Dabkara | 35,000 | 70.00 |
| 2. | Mrs. Vidhya Dabkara | 10,000 | 20.00 |
| 3. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,900 | 5.80 |
| 4. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,300 | 2.60 |
| | Total | 49,200 | 98.40 |

d) Two Year prior to the date of filling of this Draft Red Herring Prospectus: -

| S.No | Names of Shareholders | Shares Held (Face Value of Rs. 10 each) | % Pre-Offer paid up Share Capital |
|------|--|---|-----------------------------------|
| 1. | Mr. Manish Kumar Dabkara | 35,000 | 70.00 |
| 2. | Mrs. Vidhya Dabkara | 10,000 | 20.00 |
| 3. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,900 | 5.80 |
| 4. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,300 | 2.60 |
| | Total | 49,200 | 98.40 |

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

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity

Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

13. Capital Buildup in respect of Shareholding of our Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter, Mr. Manish Kumar Dabkara holds 35,35,000 Equity Shares of our Company. None of the Equity Shares held by our Promoter are subject to any pledge. Set forth below is the build-up of the shareholding of our Promoter in our Company since incorporation.

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face Value Per Share (Rs.) | Issue/ Acquisition/Transfer Price (Rs.) | Consideration | Nature of Issue | Pre-Issue Shareholding % | Post-Issue Shareholding % |
|--|----------------------|----------------------------|---|---------------|---|--------------------------|---------------------------|
| (A) Mr. Manish Kumar Dabkara | | | | | | | |
| May 03, 2011 | 35,000 | 10 | 10 | Cash | Subscriber to MOA | 0.69 | 0.51 |
| November 28, 2020 | 35,00,000 | 10 | - | Nil | Bonus in the ratio of 100:1 i.e. 100 Equity Share for every 1 Equity Share held | 69.31 | 50.92 |
| Total) | 35,35,000 | | | | | 70.00 | 51.43 |

Note: None of the Shares has been pledged by our Promoter

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

| Sr. No. | Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|---------|--------------------------|--------------------|--------------------------------------|
| 1 | Mr. Manish Kumar Dabkara | 35,35,000 | 0.10 |

15. Shareholding of Promoter & Promoter Group

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

| Sr. No. | Names | Pre IPO | | Post IPO | |
|---------|--|------------------|---------------|------------------|---------------|
| | | Shares Held | % Shares Held | Shares Held | % Shares Held |
| | Promoter | | | | |
| 1 | Mr. Manish Kumar Dabkara | 35,35,000 | 70.00 | 35,35,000 | 51.43 |
| | Sub Total (A) | 35,35,000 | 70.00 | 35,35,000 | 51.43 |
| | Promoter Group | | | | |
| 2 | Mrs. Vidhya Dabkara | 10,10,000 | 20.00 | 10,10,000 | 14.69 |
| 3 | Mrs. Priyanka Dabkara (Sister of Manish Kumar Dabkara) | 1,31,300 | 2.6 | 1,31,300 | 1.91 |
| 4 | Mrs. Priyanka Dabkara (W/O of Manish Kumar Dabkara) | 2,92,900 | 5.8 | 2,92,900 | 4.26 |
| 5 | Mr. Naveen Sharma | 35,350 | 0.7 | 35,350 | 0.51 |
| 6 | Mrs. Sonali Sheikh | 35,350 | 0.7 | 35,350 | 0.51 |
| 7 | Mrs. Shweta Porwal | 10,100 | 0.2 | 10,100 | 0.15 |
| | Sub Total (B) | 15,15,000 | 30.00 | 15,15,000 | 22.04 |
| | Grand Total (A+B) | 50,50,000 | 100.00 | 50,50,000 | 73.47 |

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

| Date of Allotment | Name of Shareholder | No. of Equity Shares | % of Pre-Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoter/ Promoter Group/ Director) |
|-------------------|--|----------------------|------------------------|-------------------------------|--|
| November 28, 2020 | Mr. Manish Kumar Dabkara | 35,00,000 | 69.31 | Bonus Issue | Promoter and Director |
| | Mrs. Vidhya Dabkara | 10,00,000 | 19.80 | Bonus Issue | Promoter Group |
| | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | 1,30,000 | 2.57 | Bonus Issue | Promoter Group |
| | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,90,000 | 5.74 | Bonus Issue | Promoter Group and Director |
| | Mr. Naveen Sharma | 35,000 | 0.69 | Bonus Issue | Promoter Group and Director |
| | Mrs. Sonali Sheikh | 35,000 | 0.69 | Bonus Issue | Promoter Group and Director |
| | Mrs. Shweta Porwal | 10,000 | 0.20 | Bonus Issue | Promoter Group |

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

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

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoter shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoter hold 35,35,000 Equity Shares constituting 51.43% of the Post – Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter have given written consent to include 14,40,000 Equity Shares held by them and subscribed by them as part of Promoter Contribution constituting 20.95% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter contribution, for a period of three years from the date of allotment in the Issue.

| Date of Allotment/ transfer and made fully paid up | No. of Equity Shares locked-in* | Face Value Per Share (Rs.) | Issue/ Acquisition/ Transfer Price (Rs.) | Nature of transaction | Post-Issue Shareholding % | Lock in Period |
|--|---------------------------------|----------------------------|--|-----------------------|---------------------------|----------------|
| Mr. Manish Kumar Dabkara | | | | | | |
| November 28, 2020 | 14,40,000 | 10 | Nil | Bonus Issue | 20.95% | 3 years |
| Total | 14,40,000 | 10 | Nil | | 20.95% | 3 years |

*Assuming full subscription to the Issue

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

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

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

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

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

Details of Promoters’ Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 36,10,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
 - b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
 - c) Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoter and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
24. Neither, we nor our Promoter, Directors and the Book Running Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
 25. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful Bidders will be allotted fully paid up Equity shares.
 26. The Book Running Lead Manager i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
 27. The BRLM, Syndicate Members and any person related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the issue under the Anchor Investor Portion. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the equity shares in the issue, 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.
 28. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
 29. We have 7(Seven) shareholders as on the date of filing of this Draft Red Herring Prospectus.
 30. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoter or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
 31. Our Company has not raised any bridge loan against the proceeds of the Issue.
 32. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
 33. We here by confirm that 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

the Draft Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.

34. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
35. An over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
36. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
37. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
38. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
39. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
40. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
41. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
42. There are no Equity Shares against which depository receipts have been issued.
43. Other than the Equity Shares, there is no other class of securities issued by our Company.
44. There are no safety net arrangements for this public issue.
45. As per RBI regulations, OCBs are not allowed to participate in this issue.
46. Our Promoter and Promoter Group will not participate in this Issue.
47. This Issue is being made through Book Built Issue.
48. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
49. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
50. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Bidder.
51. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 18,24,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. To meet Working Capital requirements
2. General Corporate Purpose
3. To meet 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 SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is engaged in the business of Carbon Credits Trading and Climate Change Advisory Services, Business Excellence Advisory and Electrical Safety Audits. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the object’s clause of our Memorandum of Association.

Net Proceeds

The details of the Net Proceeds are set forth below:

| Particulars | Amt (Rs. in Lacs) |
|--|-------------------|
| Gross Proceeds of the Issue | [●] |
| Less: Issue related expenses in relation to Issue ⁽¹⁾ | [●] |
| Net Proceeds | [●] |

⁽¹⁾To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Requirement of Funds and Utilization of Net Proceeds

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

| S. No | Particulars | Amt (Rs. in Lacs) |
|-------|--|-------------------|
| 1. | To meet Working Capital requirements | 1400.00 |
| 2. | General Corporate Purpose ⁽¹⁾ | [●] |
| | Total | [●] |

⁽¹⁾To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans 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 or in other financial conditions, business strategy, as discussed further below.

Means of Finance

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

| Particulars | Amt (Rs. in Lacs) |
|--------------------|-------------------|
| Net Issue Proceeds | [●] |
| Total | [●] |

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 24 of the Draft Red Herring Prospectus.

Details of Utilization of Net Proceeds

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

1. To Meet Working Capital Requirement

With the expansion of the business the company will be in the need of additional working capital requirements. The major capital will be invested in the trade receivables as the money gets blocked in them. The Company will meet the requirement to the extent of Rs. 1400 lacs from the Net Proceeds of the Issue and balance from borrowings or internal accruals at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(Rs. In Lacs)

| S. No. | Particulars | Actual (Restated) | Actual (Restated) | Actual (Restated) | Actual (Restated) | Estimated | Estimated |
|------------|--|-------------------|-------------------|-------------------|--------------------|----------------|----------------|
| | | March 31, 2018 | March 31, 2019 | March 31, 2020 | September 30, 2020 | March 31, 2021 | March 31, 2022 |
| I | Current Assets | | | | | | |
| | Trade receivables | 169.98 | 246.95 | 430.01 | 584.56 | 1,479.45 | 2,219.18 |
| | Cash and bank balances | 47.50 | 63.19 | 191.97 | 328.29 | 232.13 | 755.36 |
| | Current Investments | - | 0.11 | 8.95 | 638.91 | 400.00 | 700.00 |
| | Short-Term Loans and Advances | - | 0.63 | 139.17 | 57.57 | 160.40 | 240.60 |
| | Other current assets | 24.98 | 70.95 | 386.86 | 108.39 | 974.34 | 1,483.62 |
| | Total(A) | 242.46 | 381.83 | 1,156.96 | 1,717.72 | 3,246.33 | 5,398.76 |
| II | Current Liabilities | | | | | | |
| | Trade payables | 26.35 | 86.18 | 720.35 | 868.00 | 1,153.97 | 1,730.96 |
| | Other current liabilities | 0.82 | 0.00 | 12.98 | 13.83 | 46.85 | 127.33 |
| | Short-term provisions | 12.76 | 27.53 | 163.28 | 55.41 | 606.60 | 934.47 |
| | Total (B) | 39.93 | 113.71 | 896.61 | 937.24 | 1,807.43 | 2,792.76 |
| III | Total Working Capital Gap (A-B) | 202.53 | 268.12 | 260.35 | 780.48 | 1,438.90 | 2,606.00 |
| IV | Funding Pattern | | | | | | |
| | Borrowings and | 202.53 | 268.12 | 260.35 | 780.48 | 1,438.90 | 1206.00 |

| | | | | | | |
|--|---------------------|--|--|--|--|----------------|
| | Internal accruals | | | | | |
| | IPO Proceeds | | | | | 1400.00 |

Justification:

| S. No. | Particulars |
|------------------|---|
| Debtors | We have assumed Debtors holding period to be at around 30 days for F.Y. 2020-21, FY2021-22 as compared to approximately 24 days in F.Y. 2019-20 and approximately 45 days in F.Y. 2018-19. |
| Creditors | In F.Y. 2020-21, we expect to prune our creditor days through repayment of creditors from the net issue and get benefits of better pricing by offering faster payment terms. We have assumed Creditors payment period to come down to average 30 days for F.Y. 2020-21, FY 2021-22 after repayment to creditors as compared to approximately 50 days in F.Y. 2019-20 and approximately 20 days in F.Y. 2018-19. |

2. General Corporate Purpose

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

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Public Issue Expenses

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

| Activity | (Rs. in Lakh) * | As a % of Estimates Issue Expenses | As a % of Issue Size |
|---|--------------------|---|----------------------------|
| Book Running Lead Manager Fees | [●] | [●] | [●] |
| Fees Payable to Registrar to the Issue | [●] | [●] | [●] |
| Fees Payable for Advertising and Publishing Expenses | [●] | [●] | [●] |
| Fees Payable to Regulators including Stock Exchanges | [●] | [●] | [●] |
| Payment for Printing & Stationery, Postage, etc. | [●] | [●] | [●] |
| Fees Payable to Auditor, Legal Advisors and other Professionals | [●] | [●] | [●] |
| Others (Fees payable for Marketing & distribution expenses, Selling Commission, Syndicate Member Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses) | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

* Includes commission/Processing fees of Rs. [●] per valid application forms to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs. In case the total processing fees payable to SCSBs exceeds Rs. [●] lakh, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed Rs. [●] lakh.

Proposed Schedule of Implementation:

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

(Rs. In Lakhs)

| S. No. | Particulars | Amount to be deployed and utilized in |
|--------|--------------------------------------|---------------------------------------|
| | | F.Y. 21-22 |
| 1. | To meet Working Capital requirements | 1400.00 |
| 2. | General Corporate Purpose | [•] |
| 3. | Issue Expenses | [•] |
| | Total | [•] |

Funds Deployed and Source of Funds Deployed:

D. N. Jhamb And Company, Chartered Accountants vide their certificate dated March 09, 2021 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

| Particulars | Amt (Rs. in Lakh) |
|----------------|-------------------|
| Issue Expenses | 15.36 |
| Total | 15.36 |

Sources of Financing for the Funds Deployed:

D. N. Jhamb And Company, Chartered Accountants vide their certificate dated March 09, 2021 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

| Particulars | Amt (Rs. in Lakh) |
|-------------------|-------------------|
| Internal Accruals | 15.36 |
| Total | 15.36 |

Appraisal

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

Shortfall of Funds

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

Bridge Financing Facilities

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

Monitoring Utilization of Funds

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

Interim Use of Proceeds

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

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

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other confirmations

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

BASIS FOR ISSUE PRICE

The Price Band/Issue Price shall be 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 through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer “*Risk Factors*”, “*Our Business*” and “*Financial Statement as restated*” beginning on Page no. 24, 98 and 144 respectively of this Draft Red Herring Prospectus.

QUALITATIVE FACTORS

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

- Quality Assurance, timely payment and delivery
- Broad customer base and Strong relationships with our customers
- Multiple Business verticals under one roof
- Qualified management team and employee base

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “*Our Business*” beginning on page 98 of the Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “*Financial Information of the Company*” on page 144 of this Draft Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each), as adjusted for change in capital:

As per the Restated Financial Statements;

| Sr. No | Period | Basic & Diluted | Weights |
|--------|----------------------------------|-----------------|----------|
| 1. | Period ending March 31, 2020 | 8.86 | 3 |
| 2. | Period ending March 31, 2019 | 1.35 | 2 |
| 3. | Period ending March 31, 2018 | 0.53 | 1 |
| | Weighted Average | 4.97 | 6 |
| | Period ending September 30, 2020 | 10.66 | |

Notes:

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

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

| Particulars | (P/E) Ratio at the Floor Price | (P/E) Ratio at the Cap Price |
|---|--------------------------------|------------------------------|
| P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2020. | [●] | [●] |
| P/E ratio based on the Weighted Average EPS, as restated. | [●] | [●] |

| Industry P/E Ratio* | |
|--|-------|
| Highest & Lowest (Mitcon Consultancy and Engineering Services Limited) | 12.46 |
| Industry Average | 12.46 |

*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business.

Average PE have been calculated based on the PE of the Peer company i.e. Mitcon Consultancy and Services Ltd.

Note:

- The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- P/E Ratio of the Mitcon Consultancy and Engineering Services Limited is based on the Annual report of the company for the year 2020 and stock exchange data dated December 14, 2020.

Return on Net worth (RoNW)*

| Sr. No | Period | RONW | Weights |
|--------|---|---------------|----------|
| 1. | Period ending March 31, 2020 | 73.11% | 3 |
| 2. | Period ending March 31, 2019 | 41.34% | 2 |
| 3. | Period ending March 31, 2018 | 27.88% | 1 |
| | Weighted Average | 54.98% | 6 |
| | Period ending September 30, 2020 | 50.72% | |

*Restated Profit after tax/Net Worth

Note:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period

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

| Sr. No. | NAV per Equity Share* | NAV |
|---------|---|-------|
| 1. | As at March 31, 2020 | 12.12 |
| 2. | As at March 31, 2019 | 3.26 |
| 3. | As at March 31, 2018 | 1.91 |
| 4. | NAV per Equity Share after the Issue at Floor Price | [●] |
| 5. | NAV per Equity Share after the Issue at Cap Price | [●] |
| 6. | Floor Price | [●] |
| 7. | Cap Price | [●] |
| 8. | Issue Price | [●] |
| 9. | As at September 30, 2020 | 22.78 |

*The above NAV has been calculated giving the effect of Bonus Shares

Note:

- The NAV per Equity Share has been computed by dividing restated networth with weighted average number of equity shares outstanding at the end of the year/period

6. Comparison of Accounting Ratios with Industry Peers

| Name of Company | Current | Face | EPS * | PE | RoNW | Book | Total Income |
|-----------------|---------|------|-------|----|------|------|--------------|
|-----------------|---------|------|-------|----|------|------|--------------|

| | Market Price (Rs.) | Value (Rs.) | (Rs.) | | (%)* | Value (Rs.) | (Rs. in crores) |
|---|--------------------|-------------|-------|-------|-------|-------------|-----------------|
| EKI Energy Services Limited | [●] | 10.00 | 8.86 | [●] | 73.11 | 12.12 | 20.43 |
| Peer Group | | | | | | | |
| Mitcon Consultancy and Engineering Services Limited | 40.75 | 10.00 | 3.13 | 13.02 | 3.91% | 77.43 | 42.72 |

Notes:

- (i) Source – Annual report of the company for the year 2020 and stock exchange data dated March 05, 2021 For our Company, we have taken CMP as the issue price of equity share. Further, P/E Ratio is based on the CMP of the respective scrips.
- (ii) The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2019-20 as adjusted with the effect of Bonus Issue.
- (iii) NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares as adjusted with the effect of Bonus Issue.
- (iv) P/E Ratio of the company is based on the Annual report of the company for the year 2020 and stock exchange data dated March 05, 2021.
- (v) RoNW has been computed as net profit after tax divided by closing net worth.
- (vi) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vii) The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

EKI Energy Services Limited is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and and Indore Edition of Regional newspaper [●] where the registered office of the company is situated eachwith wide circulation.

The Price Band/Floor Price/Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the abovementioned information along with "**Our Business**", "**Risk Factors**" and "**Restated Financial Statements**" on pages 98, 24 and 144 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
EKI ENERGY SERVICES LIMITED

201, Plot No. 48, Scheme No. 78, Part II,
Vijay Nagar, Near Brilliant Convention Centre,
Indore (M.P.) 452010

Dear Sir,

Sub: Statement of Possible Tax Benefits ('The Statement') available to EKI Energy Services Limited ('The Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ('The Regulation')

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

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is 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 of Equity shares ("the Issue") by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Offer document/ Offer document or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For D.N. JHAMB AND COMPANY

Chartered Accountants

FRN: 0019675C

Sd/-

Partner: DEVKI NANDAN JHAMB

M. No. 079696

Date: 03.03.2021

UDIN: 21079696AAAADD2234

Place: Indore, Madhya Pradesh

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 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 fact that 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. | SPECIAL TAX BENEFITS TO THE COMPANY | NIL |
| B. | SPECIAL TAX BENEFITS TO THE SHAREHOLDER | NIL |

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

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

*Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in “**Our Business**” and “**Financial Information**” beginning on pages 98 and 144 respectively of this Draft Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “**Risk Factors**” beginning on page 24 of this Draft Red Herring Prospectus.*

World Economic Outlook

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

As with the April 2020 WEO projections, there is a higher-than-usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. Moreover, the forecast assumes that financial conditions—which have eased following the release of the April 2020 WEO—will remain broadly at current levels. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving. The extent of the recent rebound in financial market sentiment appears disconnected from shifts in underlying economic prospects—as the June 2020 Global Financial Stability Report (GFSR) Update discusses—raising the possibility that financial conditions may tighten more than assumed in the baseline.

All countries—including those that have seemingly passed peaks in infections—should ensure that their health care systems are adequately resourced. The international community must vastly step up its support of national initiatives, including through financial assistance to countries with limited health care capacity and channeling of funding for vaccine production as trials advance, so that adequate, affordable doses are quickly available to all countries. Where lockdowns are required, economic policy should continue to cushion household income losses with sizable, well targeted measures as well as provide support to firms suffering the consequences of mandated restrictions on activity. Where economies are reopening, targeted support should be gradually unwound as the recovery gets underway, and policies should provide stimulus to lift demand and ease and incentivize the reallocation of resources away from sectors likely to emerge persistently smaller after the pandemic.

Strong multilateral cooperation remains essential on multiple fronts. Liquidity assistance is urgently needed for countries confronting health crises and external funding shortfalls, including through debt relief and financing through the global financial safety net. Beyond the pandemic, policymakers must cooperate to resolve trade and technology tensions that endanger an eventual recovery from the COVID-19 crisis. Furthermore, building on the record drop in greenhouse gas emissions during the pandemic, policymakers should both implement their climate change mitigation commitments and work together to scale up equitably designed carbon taxation or

equivalent schemes. The global community must act now to avoid a repeat of this catastrophe by building global stockpiles of essential supplies and protective equipment, funding research and supporting public health systems, and putting in place effective modalities for delivering relief to the neediest.

| (real GDP, annual percent change) | PROJECTIONS | | |
|--|-------------|-------------|------------|
| | 2019 | 2020 | 2021 |
| World Output | 2.9 | -4.9 | 5.4 |
| Advanced Economies | 1.7 | -8.0 | 4.8 |
| United States | 2.3 | -8.0 | 4.5 |
| Euro Area | 1.3 | -10.2 | 6.0 |
| Germany | 0.6 | -7.8 | 5.4 |
| France | 1.5 | -12.5 | 7.3 |
| Italy | 0.3 | -12.8 | 6.3 |
| Spain | 2.0 | -12.8 | 6.3 |
| Japan | 0.7 | -5.8 | 2.4 |
| United Kingdom | 1.4 | -10.2 | 6.3 |
| Canada | 1.7 | -8.4 | 4.9 |
| Other Advanced Economies | 1.7 | -4.8 | 4.2 |
| Emerging Markets and Developing Economies | 3.7 | -3.0 | 5.9 |
| Emerging and Developing Asia | 5.5 | -0.8 | 7.4 |
| China | 6.1 | 1.0 | 8.2 |
| India | 4.2 | -4.5 | 6.0 |
| ASEAN-5 | 4.9 | -2.0 | 6.2 |
| Emerging and Developing Europe | 2.1 | -5.8 | 4.3 |
| Russia | 1.3 | -6.6 | 4.1 |
| Latin America and the Caribbean | 0.1 | -9.4 | 3.7 |
| Brazil | 1.1 | -9.1 | 3.6 |
| Mexico | -0.3 | -10.5 | 3.3 |
| Middle East and Central Asia | 1.0 | -4.7 | 3.3 |
| Saudi Arabia | 0.3 | -6.8 | 3.1 |
| Sub-Saharan Africa | 3.1 | -3.2 | 3.4 |
| Nigeria | 2.2 | -5.4 | 2.6 |
| South Africa | 0.2 | -8.0 | 3.5 |
| Low-Income Developing Countries | 5.2 | -1.0 | 5.2 |

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOupdateJune2020>)

Overview of the Indian Economy

ECONOMIC GROWTH

The World Bank projected the economy to contract by 3.2 percent in FY20/21, and rebound slowly in FY21/22. It further estimated that the COVID-19 outbreak is likely to have significant fiscal implications. The fiscal deficit of the central government is likely to increase to 6.6 percent of GDP in FY20/21 and is expected to remain elevated at 5.5 percent in the following year. Assuming that the states' deficit is contained within 3.5-4.5 percent of GDP, the combined deficit could rise to around 11 percent in FY20/21. While there is a significant level of uncertainty around the projections, the general government debt-to-GDP ratio is projected to peak at around 89 percent in FY22/23 before gradually declining thereafter.

While the Government of India, with the support of the Reserve Bank, is continuing to take action to limit the impact of the COVID-19 pandemic, there is a recognition of both the uncertainty of the nature of the economic revival globally and the emergence of opportunities opened by the current crisis. Countries that invest in sectoral reforms – infrastructure, labor and land, human capital -- and ensure that their national systems are connected to the Global Value Chains, are more able to respond to uncertainties and are better placed to take advantage of any global shifts. Investing in these areas will give India the ability to navigate these uncertainties and be more competitive as the world emerges from the pandemic.

CARBON CREDIT INDUSTRY

What Is A Carbon Credit?

A carbon credit represents ownership of the equivalent of one metric ton of carbon dioxide that can be traded, sold or retired. If an organization is regulated under a cap-and-trade system (e.g., the California Cap and Trade Program) it likely has an allowance of credits it can use towards its cap. If the organization produces fewer tons of carbon emissions than it is allocated, the organization can trade, sell or hold the remaining carbon credits. When a credit is sold, the buyer is purchasing the seller's allowance of emissions. A credit becomes tradeable

because of a very real reduction in emissions, but the reduction is from an activity you might not be aware of such as flying less or turning equipment off at night.

What Is A Carbon Offset?

A carbon offset also represents a real reduction of carbon dioxide in the atmosphere and results in the generation of a carbon credit. The difference is, the credit is generated as the result of a project with clear boundaries, title, project documents and a verification plan. In most cases, carbon offsets generate reductions outside of the organization and, more importantly, outside of any regulatory requirement. Common projects include building wind farms, supporting truck stop electrification projects to reduce tailpipe emissions, and planting trees or preserving forests. Because carbon dioxide has global not local impact, both credits and offsets have the same reduction in carbon dioxide emissions and have the same benefit to the planet in terms of climate change.

What Are Carbon Markets?

Carbon markets aim to reduce greenhouse gas emissions enabling the trading of emission units (carbon credits), which are certificates representing emission reductions. Trading enables entities that can reduce emissions at a lower cost to be paid to do so by higher-cost emitters. By putting a price on carbon emissions, carbon market mechanisms raise awareness of the environmental and social costs of carbon pollution, encouraging investors and consumers to choose lower-carbon paths. There are two main categories of carbon markets: cap-and-trade and voluntary. Cap-and-trade sets a mandatory limit (cap) on greenhouse gas emissions and organizations that exceed these limits can purchase excess allowances to fill the gap or pay a fine. Voluntary markets enable the trading of carbon credits outside of the regulatory environment.

Compliance Carbon Markets

In certain jurisdictions, such as the European Union and California, companies are required by environmental cap-and-trade laws to offset their carbon footprint. Cap-and-trade lets the market find the least expensive way to cut emissions while driving technological innovation and economic growth. The 'cap' is the upper limit on the amount of carbon emissions a company can legally produce. As the cap is reduced for future years, total pollution declines. Electric utilities, refineries and large factories with emissions that exceed a pre-established amount of carbon tons per year must hold allowances (permits to emit one ton of carbon) or offsets (carbon credits) equivalent to their annual emissions. These organizations enter a compliance carbon market where carbon credits can be bought and sold.

Voluntary Carbon Markets

The voluntary carbon marketplace includes all transactions of carbon offsets not purchased with the intent to surrender them into an active regulated carbon market, as well as offsets purchased with the intent to re-sell or retire them to meet carbon neutral or other environmental claims. The voluntary market is driven by companies and individuals that take responsibility for offsetting their own emissions, and entities that purchase offsets before emissions reductions are required by regulation. Buyers are driven by corporate social responsibility, ethics, a desire to enhance their reputation and so on. Pre-compliance buyers may want to purchase credits at a lower price before new requirements kick in. Voluntary carbon markets may be smaller than the compliance markets but they are more flexible and innovative in terms of finance, monitoring and methodologies.

(Source: <https://www.indiancarbon.org/the-carbon-credit-market/>)

GLOBAL CARBON CREDIT MARKETS

Domestic carbon pricing initiatives have been strengthened as jurisdictions around the world adopt more ambitious mitigation targets and introduce associated policy tools. This is particularly crucial as 2020 and 2021 are critical years for countries to ramp up their emission reduction pledges under the Paris Agreement, with many countries, regions and cities in the past year declaring a "climate emergency".

Restrictions due to the COVID-19 pandemic have led to a global economic downturn, with implications for climate action more broadly. The economic crisis triggered by COVID-19 has led to large shifts in energy consumption and consumer behavior, challenging the economic foundations of many countries. As communities start to bounce back and conversations turn to recovery and stimulus packages, countries should consider how measures can be designed to best support a transition to a low-carbon economy. Measures for kickstarting

economies could be designed in such a way that they generate jobs and infrastructure that support the transition to net zero emissions by the mid-century.

The pandemic is testing the resilience of carbon pricing initiatives. Prices in some established ETSs have fallen in line with reduced economic activity resulting from COVID-19 restrictions. Furthermore, some jurisdictions have delayed measures to strengthen their carbon pricing instruments and have extended compliance deadlines due to the restrictions. Key meetings—most notably COP 26—as well as international aviation and maritime meetings, have been postponed, delaying decisions on the rules around international transactions and markets. Additionally, COVID-19 has led to increased uncertainty for the demand for international credits with airlines questioning the impact of COVID-19 on their offsetting obligations under the Carbon Offset and Reduction Scheme for International Aviation (CORSIA).

Despite the social and economic upheaval, many jurisdictions and private entities are accelerating their efforts on climate action.

COP 25 highlighted the urgency and need to ramp up ambition as Parties work on updating their nationally determined contributions (NDCs). Furthermore, the Chilean COP presidency announced that 120 Parties to the United Nations Framework Convention on Climate Change (UNFCCC) are working towards achieving net zero CO₂ emissions by 2050 as part of the Climate Ambition Alliance. As of April 1, 2020, Denmark, France, New Zealand, Sweden and the UK have built on this pledge and enshrined a net zero CO₂ emissions target into legislation, while Suriname and Bhutan are already carbon negative. In addition, 15 subnational regions, 398 cities, 786 businesses and 16 investors have also indicated that they are working towards achieving net zero emission targets.

Carbon pricing initiatives are expanding across national and state lines, with increased cooperation among jurisdictions to align their carbon markets. In Europe, the Swiss ETS and the EU ETS became linked on January 1, 2020, allowing covered entities in the Swiss ETS to be able to use allowances from the EU ETS for compliance, and vice versa. Following its departure from the EU and ultimately the EU ETS, the UK is considering implementing its own ETS and linking it to the EU ETS.

Governments raised more than \$45 billion from carbon pricing in 2019. 2019 saw a slower yearly increase in revenues than 2018 (US\$1 billion compared to US\$11 billion) largely as a consequence of the EU ETS price stabilization in 2019. Almost half of the revenues were dedicated to environmental or broader development projects, and more than 40 percent went to the general budget. The remaining share was dedicated to tax cuts and direct transfers.

CARBON CREDITING MECHANISMS

The Kyoto crediting mechanisms (the Clean Development Mechanism and Joint Implementation) have been responsible for almost three-quarters of all credits issued to date, with 70 percent of those coming from projects in industrial gases, renewable energy and fugitive emissions. The CDM is the biggest issuer, responsible for just over 50 percent of all credits ever issued. Despite not issuing anything for the last four years, due to the sheer volume of credit issuances before 2015, JI still remains the second largest issuer of carbon credits at around 22 percent of the cumulative global total. Certain types of mitigation activities tend to be more popular than others for a variety of reasons, including lower project development costs, higher emission reduction potential—hence more credits, lower MRV costs and risks, and higher desirability by carbon credit buyers. There is also a tendency for major crediting mechanisms to generate most of their carbon credits from one or two major sectors, with the Kyoto crediting mechanisms, for instance, focusing on industrial emissions and renewables. On the other end of the scale, the low credit issuance by sectors such as transport and other land-use projects—which combined makes up less than 2 percent of the total—highlights the challenges in developing these types of projects, which often have complex mitigation quantification approaches and high MRV costs. The sectoral foci of the CDM and JI has also led to a geographic trend, with most carbon credits are from East Asia and the Pacific (44 percent) and Europe and Central Asia (23 percent). However, the continuation of the CDM beyond the end of the second commitment of the Kyoto Protocol at the end of this year is unclear. The uncertain future of the Kyoto crediting mechanisms and rise in crediting activity in different sectors and from different mechanisms show a different crediting landscape than that established thirty years ago.

An inspection of historical global crediting activity levels reveal that crediting activities increased rapidly until 2012 before crashing in 2013, but have stabilized since 2015, coinciding with the adoption of the Paris Agreement. The spike in activities in 2012 reflects the rush to register CDM projects and issue Kyoto credits before the close of the first compliance period of the Kyoto Protocol to avoid the various limitations that were being introduced for allowing post-2012 CDM units (Certified Emission Reductions—CERs) to enter the EU ETS—the biggest buyer of Kyoto credits at the time. The general lack of demand for Kyoto credits after 2012 was largely triggered by the lack of demand by EU ETS facilities as a result of the financial crisis and oversupply of EU allowances. This in turn led to a drop in the price of CERs. In turn, other carbon markets also moved to reduce the number of Kyoto credits allowed in their system. Demand for CERs has not kept pace with their issuance, resulting in a surplus of CERs on the market. The steadily declining number of CDM credit issuances over the past years as new crediting mechanisms start to come online suggest an end of the CDM/JI dominance of the global crediting market, especially since the future of these credits under the Paris Agreement remain uncertain. That being said, any positive decision on the transition of the Kyoto crediting mechanisms to Article 6.4 could see a spike in issuances.

However, interest and activity in the voluntary market is growing as companies purchase voluntary credits through independent crediting mechanisms. Independent mechanisms have grown significantly over the past years and in 2019 were responsible for 65 percent of the annual credits issued. This is close to a four-fold increase compared to 17 percent in 2015. Most notably, Verified Carbon Standard (VCS) issued more credits than the CDM in 2019 (Figure 3.4). This is the first time that another crediting mechanism has issued more credits in a year than the CDM since 2006.

Crediting under the Paris Agreement

Article 6 of the Paris Agreement provides the mandate for countries to transfer mitigation outcomes, either through Article 6.2 or 6.4 in order to meet their NDCs. Two key issues arise when it comes to international crediting: double counting and the impact of selling mitigation outcomes on the seller country. Firstly, provisions would need to be in place to ensure that the emission reductions in the seller country should only be counted toward the buyer country’s NDC target. They should not also be counted toward the achievement of the seller country’s NDC target. Secondly, the seller country needs to be aware that it might need to tighten its mitigation pledge. Even if the reductions or removals took place outside of the scope of a country’s NDC commitment or is not needed to meet its current NDC commitment, it may have a cost on the country’s ability to meet future NDC commitments. Unlike crediting under the Kyoto Protocol, as all Parties to the Paris Agreement have NDC commitments, there is an opportunity cost of selling credits under Article 6 that Parties will need to assess. This will also be a relevant concern for a country if voluntary crediting is taking place within their jurisdiction. The impact this will have on its ability to achieve current or future NDC targets would also need to be considered, provided voluntary crediting mechanisms follow similar rules on exclusion for double counting.

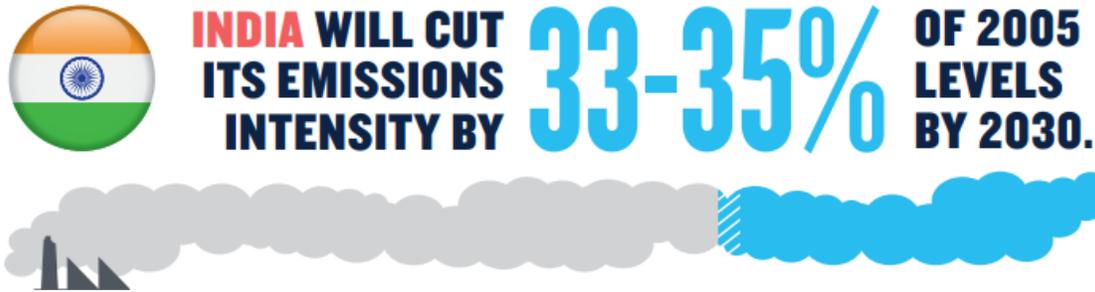
(Source:

<https://openknowledge.worldbank.org/bitstream/handle/10986/33809/9781464815867.pdf?sequence=4>)

INDIAN CARBON CREDIT MARKET

National Overview

India is the world’s third-largest greenhouse gas (GHG) emitter and second most populous country. India’s total emissions in 2019 were 132 million tonnes of carbon dioxide equivalent and emissions have been on the decline for the first time in forty years. The country’s per capita emissions remain low, at 1.94 tCO₂ /capita – less than half the global average of 4.2 tCO₂ /capita. India has grown into an economic powerhouse with an average growth rate of 6.7% GDP over the last decade. With the COVID-19 economic slowdown, India’s GDP is expected to contract by 4.5% to 10% in 2020 but is expected to recover by 2025. Renewable energy (solar, wind, and biomass power) accounted for over 24% of India’s total installed electricity capacity as of July 2020. Factoring in large hydro and nuclear, India’s non-fossil fuels totaled 38% of the country’s installed capacity. Renewables are growing faster than fossil fuels with the share of renewable energy capacity increasing from 13% to 24% (36 GW in July 2015 to 88 GW in July 2020). While thermal power still accounts for the majority of India’s power supply, the share of thermal capacity declined by 8%, from 70% to 62% (192 GW thermal capacity of 276 GW total installed capacity in July 2015 as compared to 231 GW thermal capacity of 372 GW total installed capacity in July 2020). While the Indian government recognizes the need to expand efforts for creating an “additional carbon sink” of 2.5 to 3 billion tonnes of carbon dioxide equivalent, India’s forest and tree cover has increased by only 5,188 km², yielding a 42.6 million tonne carbon sink increase.



CARBON MARKET SIMULATION IN INDIA

As part of its ongoing efforts to help policymakers and civil society address climate change while ensuring economic prosperity and sustainable development, WRI is undertaking a carbon market simulation across 30-40 large companies in India.

Objective

The simulation aims to help businesses demonstrate climate leadership and leverage the opportunities from such mechanisms to meet their emission reduction goals. The simulation also aims to build business readiness towards a potential carbon market, especially amongst the medium, small and micro enterprises (MSMEs) part of value chains of the participating companies. Learnings and industry feedback from this virtual market would also help provide concrete policy recommendations for a potential carbon market in India that is efficient, sustainable, facilitates accelerated emission reductions at the least cost to the society and helps India achieve its Nationally Determined targets.

Background

India's international climate commitments include a reduction goal in greenhouse gas (GHG) emission intensity of GDP by 33-35% until 2030 (compared to 2005 levels) and a target to increase the share of non-fossil fuel energy sources to 40% by 2030. Additionally, India also targets to install over 175 GW of renewable energy by 2022, with a recent announcement that India will have 450 GW of renewables.

Carbon Pricing is one of the key tools to facilitate a low-carbon transition. Carbon markets and international voluntary cooperation are set to play a critical role in meeting climate targets at the lowest costs. Pilots and simulations in emerging economies such as China, Mexico and Brazil are indicative of imminent market-based mechanisms globally. While an implicit carbon tax (national clean energy cess) was implemented in India, additional considerations on a cap and trade scheme are being made to accelerate progress towards India's NDCs. India has signed up and is now a participant to the World Bank's Partnership for Market Readiness (PMR). Under the PMR, India plans to explore and pilot new market-based mechanisms (MBMs) in Waste and MSME sectors and establish an integrated data management and registry for India's GHG emissions.

Approach

To support evidence-based design and implementation of a potential carbon market in India, WRI India aims to work with industry, policy makers, as well as civil society, through a carbon market simulation anchored across 30-40 large businesses (including sectoral leaders) covering about 50-60% of India's total industry related emissions.

The simulation consists of two phases:

- **Phase I: Design and Scoping – Completed**

The design phase constituted secondary research of existing market mechanisms and policy landscape globally and domestically and extensive consultations with global experts and sectoral leaders from Indian Industry. Under this, WRI Experts contextualized learnings from four emissions markets operating at city, state, regional and international levels, to India in terms of i) their goals; ii) design; iii) outcomes and impacts; iv) challenges; and v) international linking.

This, along with an understanding of the past and ongoing market mechanisms and policies in India, provided insights on the opportunities, challenges, design considerations for a carbon market in India. Consultations with key stakeholders including business leaders in the Indian industry helped shape the proposed design for the simulation based on sectoral challenges and opportunities.

- **Phase II: Implementation - Ongoing**

In consultation with participating companies, the ongoing phase entails finalization of design, targets and implementation modalities for the simulation, followed by three trading cycles under the simulation.

The broad components of the implementation phase include:

1. **Company Onboarding**

- Closely work with the participating companies to confirm baseline data, receive feedback and finalize targets, Monitoring, Reporting and Verification (MRV) and simulation design.

2. **Trading Platform & Registry Setup**

- Setting up of Trading Platform and Registry platforms based on final design of the simulation

3. **Simulation Launch**

- Workshop to disseminate operational information and timelines for reporting and trading
- Demo on MRV form and trading platform
- Technical assistance to companies on monitoring and reporting to ensure the implementation of MRV framework and compliance with the simulation

4. **Trading Cycles**

- At the end of a compliance period, the regulated entities would be required to surrender one allowance for every tonne of emissions for which they are accountable. Allowance shortfall or in excess of target would be traded during the trading cycles in (April, July and October 2020)
- Measurement of outcomes - Based on the trading of the allowances, WRI would monitor and document the performance of the market on reductions achieved, price stability, trading volume, challenges, and learnings

Planned Outcomes:

1. Carbon Market Planning and Implementation Guide for the Indian context based on -
 - Global learnings, best practices and trends from Phase 1
 - The learnings from the simulation exercise and relevant recommendations for the Indian context to support policymaking
 - Feedback from participating companies on challenges, opportunities, sector specific design recommendations
2. Roundtable with key stakeholders, including industry, research organizations, think tanks and policymakers to present findings from simulation and recommendations for a carbon market in India
3. Capacity Building: WRI India will support all participating businesses and the MSMEs within their supply chains with research, knowledge, and findings, by hosting a series of webinars and information-sharing sessions with companies, thereby building institutional capacity within large corporates and MSMEs during the implementation phase.

(Source: <https://indiaghgp.org/carbon-market-simulation-india>)

INDIA'S PARIS AGREEMENT TARGETS

In 2015, 196 nations came together to approve the Paris Agreement during the 21st session of the Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC). The Paris Agreement aims to limit global temperature rise to well below 2°C and to make best efforts to hold warming to 1.5°C. Countries as part of the Paris Agreement submitted Nationally Determined Contributions (NDCs) detailing plans to cut emissions to meet the global temperature goal.²¹ Ratifying the Paris Agreement in 2016, India's pledge lays out a comprehensive approach to limit climate impacts while fostering economic growth. India's pledge includes the following commitments:

- To put forward and further propagate a healthy and sustainable way of living based on traditions and values of conservation and moderation.
- To adopt a path that is climate-friendly and cleaner than the one followed hitherto by others at a corresponding level of economic development.
- To reduce the emissions intensity of its GDP by 33 to 35% by 2030 from 2005 level.
- To achieve 40% cumulative electric installed power capacity from non-fossil-fuel energy sources by 2030 with the help of technology transfer and low-cost international finance including support from the Green Climate Fund.
- To create an additional carbon sink of 2.5 to 3 billion tonnes of carbon dioxide equivalent through additional forest and tree cover by 2030.
- To better adapt to climate change by enhancing investments in development programs in sectors vulnerable to climate change, particularly agriculture, water resources, the Himalayan region, coastal regions, health, and disaster management.

MOBILIZING GREEN INVESTMENT

Over \$250 billion in investment is needed between 2023 and 2030 to achieve India's target of 450 GW of clean energy by 2030. In the near term, India needs over \$80 billion in investments for renewable energy infrastructure (without transmission lines) to meet its 175 GW by 2022 target.

India is working to provide funding for clean energy through government programs, private investments, and international climate finance. However, public funds by themselves will not produce the capital required; catalytic finance is needed to help expand the clean energy market. Catalytic finance leverages limited public funds to bring in greater private investment. Catalytic financial mechanisms and institutional facilities such as "green windows" can be effective in transforming the India clean energy market. The Indian Renewable Energy Development Agency Limited (IREDA), a leading financial institution, is planning to pilot the first green window in India to develop and implement catalytic finance solutions. India's support for the green window could attract more concessional funding and open up the Indian clean energy market to new classes of international investors.

Green bonds are another beneficial investment instrument. IREDA and National Thermal Power Corporation (NTPC) have used masala bonds to increase the number of green bonds in the market. By 2019, Rs. 52,000 crore (\$7 billion) of green bonds were issued in India, amounting to roughly 20 issuances. Apart from IREDA and NTPC, Greenko, ReNew Power, Azure Power, Tata Cleantech and Adani Green Energy have been integral to issuing green bonds.

Power distribution companies (DISCOMs) have been adversely affected due to short-term power demand declines and high cash losses amid the COVID-19 pandemic. The DISCOM debt has risen to Rs. 1.3 lakh crore (\$18 billion). Market reports suggest that debt could increase to Rs. 4.5 lakh crore (\$66 billion) in FY 2021. As a part of the economic stimulus measures, the national government has extended a Rs. 90,000 crore (\$13 billion) liquidity line to DISCOMs. The loan will help DISCOMs pay outstanding dues owed to power generation companies through March 2020. Power Finance Corporation and Rural Electrification Corporation (both public sector institutions) will co-finance the loan.

In the wake of the COVID-19 economic slowdown capital investments will prioritize economic development and job creation. The economic recovery is an opportunity to increase public investment in clean energy. Historically low oil prices represent an opportunity to reduce fossil fuel subsidies in an effort to free up public capital and redefine future energy consumption trends.

GLOBAL QUALITY MANAGEMENT SYSTEM (QMS) MARKET: INTRODUCTION

A quality management system (QMS) is defined as a formal system that documents processes, procedures, and responsibilities to achieve quality policies and objectives. A quality management system (QMS) helps to coordinate and direct an organization's activities to meet customer and regulatory requirements and improve its effectiveness and efficiency on a continuous basis. ISO 9001:2015, the international standard specifying requirements for quality management systems (QMS), is the most prominent standard of quality management systems.

Increasing need for Standardization/ Benchmarking for Defining, Improving, and Controlling Processes is expected to drive the Quality Management System (QMS) Market

Quality is the key to a company's success; quality management systems enable organizations to keep up with and meet current quality levels, meet the consumer's requirement for quality, retain employees through competitive compensation programs, and keep up with the latest technology. QMS has helped in reducing waste, preventing mistakes, lowering cost, facilitating and identifying training opportunities, and communicating readiness to produce consistent results. The quality management system market is expected to grow across the globe with the Industry 4.0 revolution.

Emphasis on Documentation & Knowledge with Regard to Certifications

Owners and managers do not have adequate understanding of the ISO 9000 certification process or of the quality standards themselves. Many business owners have been known to direct their company's resources toward ISO 9000 registration, only to find that their incomplete understanding of the process and its requirements results in wasted time and effort. Lack of knowledge and huge efforts to manage the document related to quality management would hamper the growth of the market.

COVID 19 Impact on Global Quality Management System (QMS) Market

COVID 19 is expected to have an adverse impact on the manufacturing as well as service industry across the globe. The major usage of quality management systems (QMS) is in manufacturing industry which is adversely affected by the disease. The restriction on production imposed by governments has impacted the growth of the quality management system (QMS) market.

(Source: <https://www.transparencymarketresearch.com/quality-management-system-qms-market.html>)

Today, more than ever, the use of standards is very important to ensure that products and services meet the requirements. Standards can help in mitigating the negative effects of the global pandemic in multiple ways, as outlined below:

COVID-19 Implications and the Role of Quality and Standards

Medical equipment

- Product standards for medical equipment (respiratory protective devices) and protective equipment (medical gloves, medical face masks, personal eye protection, etc.) are particularly important to ensure that the equipment meets the requirements and is reliable and that safety and medical personnel is sufficiently protected.
- Acceptance of equivalence of standards among trade partners important to mobilize medical resources globally and meet the soaring demands for medical equipment within a short time period.
- Harmonization of standards for medical equipment at regional or global level could increase accessibility to essential medical products and therefore improve capacity of health authorities to respond rapidly to public health crisis like COVID-19 pandemic.

(Medical) laboratory standards

- Medical laboratory standards (e.g. ISO 15189, ISO 22367, ISO 14971, ISO 20395) are important to evaluate the safety and efficacy of diagnostic tests and to ensure that medical tests to detect SARS-COV-2 provide accurate and reliable results.

- Testing laboratory standards (e.g. ISO 17025) ensure that product test for medical equipment are performed accordingly and provide reliable results. Providing quality, high-volume testing capabilities should allow us to respond effectively to the COVID-19 pandemic.

Business continuity and emergency management

- Standards for security and resilience, including business continuity management (e.g. ISO 22301, ISO 22395) and emergency management (e.g. ISO 22320, ISO 22316) have become evidently important throughout the past weeks. The further dissemination and application of such standards will be particularly important in the short-term but remain a priority in the medium- and long-term.
- Standards for risk management (e.g. ISO 31000), intends to serve as a guide for the design, implementation and maintenance of risk management.
- Management standards (e.g. ISO 9001, ISO 13485) help to prepare for managing crisis situations better. Enterprises that have quality management systems in place are therefore better prepared to cope with the negative effects of the crisis

Health and safety

- Safety standards, such as ISO 45001, a standard for management systems of occupational health and safety which aims at improving employee safety, reducing workplace risks and creating better, safer working conditions are particularly important to prevent the spread of COVID-19 within organizations.
- Food safety and hygiene management (e.g. ISO 22000, HACCP) is important, particularly as the emergence of SARS-COV-2 is said to be caused by a lack thereof.

Environmental and waste management

- Environmental and waste management standards (e.g. ISO 14000 series) will become important in managing the increased waste caused by the increase use of single-use protective equipment (protective clothes, single-use gloves, medical masks, etc.). It is particularly important for health facilities to adhere to guidelines on bio-medical waste generated from quarantine health facilities to stop spread of infection.

Access to standards, Standard Operating Procedures (SOP), Good Manufacturing Practices (GMP), etc. are sometimes restricted by the need to costly purchase them. In the case of a pandemic like COVID-19, access to such standards and practices needs to be immediate to ensure widest and fastest adoption of such practices. Many standards organizations (ISO, CEN/CENELEC, ASTM, SNV, BSI, etc.) have made relevant standards available free of charge to support the fight against COVID-19

(Source: <https://www.unido.org/sites/default/files/files/202004/Quality%20and%20Standards%20and%20their%20Role%20in%20Responding%20to%20COVID-19.pdf>)

SAFETY AUDIT TO IDENTIFY POTENTIAL HAZARDS IN INDUSTRIAL OPERATIONS

The audit normally refers to checking of financial status of the company. Though the word 'Audit' has traditionally been associated with financial accounting procedures, since 80's it has come into common usage in India in the field of industrial safety, industrial health, and environmental health and so on. The term 'Safety Audit' is commonly found within the safety jargon. However, its full meaning, as well as the practical implications, of the term are not fully appreciated.

It is now recognised that accidents arising from unsuspected risks can result not only in injuries to employees and damage to plant and machinery, but also can have far reaching effects on the commercial viability of a company. Almost always, as an aftermath of such accidents, resources of manpower and money are made available to determine causes and implement remedial action to prevent a recurrence. It may be pointed out here that if the same resources were utilised for the purpose of identifying the potential risks and eliminating them before incidents occur, reliability and profitability of the company would be increased. Everyone who is, in a way concerned with occupational safety and health would agree that it is essential to perform 'Safety Audits' of a workplace in order to detect any dangers which might be present there.

Safety Audits can be carried out for determining the overall status of safety, health, and environment of an organisation. It can also be conducted for determining the performance of a specific activity, for example: Preventive Maintenance (engineering department), Laboratory Inspection and Testing (product quality), Environment Audit (gaseous, liquid, and solid), Energy Audit (electrical, fuel), Fire Safety Audit, Building Safety Audit, Hospital Safety Audit, etc.

Safety Audit is a systematic critical examination of an industrial operation in its entirety to identify potential hazards and levels of risk. In other words, it is a study aimed to detect any dangers which might be present in an industrial operation. It subjects each area of a company activity to a systematic critical examination with the object of minimising loss. It aims to disclose the strengths and the weaknesses, the main areas of vulnerability or risk. It is a practical procedure whereby a workplace and the processes carried on therein, are examined with a view to ascertain what hazard to health and safety may be in existence. It is a useful technique to test the effectiveness of a company's safety programme. Hence, 'Safety Audit' is a form of risk analysis and evaluation in which a systematic investigation is carried out in order to determine the extent to which the conditions are present that provide for the development and implementation of an effective and efficient safety policy.

We must have a method, which will give a reasonable indication of how well a company's safety programme is working, in all its aspects, i.e., how hazards are being recognised and controlled, how unsafe acts are being eliminated and how accidents are being avoided. It may be reminded here that injury frequency, cost of accidents, loss due to fire and explosions, number and types of injuries, etc. are not always related to the quality of an employer's safety effort. What is needed, therefore, is a method, which will give a reasonable indication of how well a company's safety programme is working in all its aspects and how potential accidents are being avoided without using only failures as a yardstick.

(Source: <https://ieema.org/safety-audit-to-identify-potential-hazards-in-industrial-operations/>)

Kerala emerges as energy efficient state, Rajasthan stands second

The Government of India has made excellent strides in Energy Efficiency over the last 15 years since the enactment of the ground-breaking Energy Conservation Act in 2001. This Act was instrumental in the formation of the Bureau of Energy Efficiency (BEE) and the State Designated Agencies (SDA) in the states. It also put in place the much-needed institutional framework for formulating energy efficiency policies and implementing them. Since then, BEE has developed the Energy Conservation Building Code, a fairly successful Standards and Labelling programme for the most energy-intensive appliances and an ambitious & innovative industrial energy efficiency programme, Perform Achieve and Trade (PAT). Another milestone is NITI Aayog's energy scenario modelling tool India Energy Security Scenarios (IESS) 2047 which offers a platform to facilitate academic and policy discourse about potential pathways for the Indian energy sector. There is substantial potential to impact energy efficiency and reduce energy demand by 2047.

The first edition of the State Energy Efficiency Index assesses state policies and programmes aimed at improving energy efficiency in buildings, industries, municipalities, transportation, agriculture and electricity distribution (DISCOMs). The composition of the Index has been developed taking into account sector-wise energy consumption, energy saving potential and states' influence in implementing energy efficiency. It examines states' policies and regulations, financing mechanisms, institutional capacity, adoption of energy efficiency and the resultant energy savings achieved. The Index has 63 indicators in all, 59 across buildings, industry, municipalities, transport, agriculture and DISCOMs; and 4 cross-cutting indicators

In each sector, energy efficiency indicators have been developed to measure the impact of state initiatives in driving energy efficiency in states. The indicators are both qualitative and quantitative, which include outcome-based indicators as well to signify realisation of the intended performance outcomes, to the extent possible, for various energy efficiency policies and programs.

Andhra Pradesh, Kerala, Maharashtra, Punjab and Rajasthan have done exceedingly well in adopting energy efficiency measures in the first ever serious attempt to map energy efficiency attained by the States. Kerala, with 77 points, leads among the States and Union Territories, followed by Rajasthan (68) and Andhra Pradesh (66.5) in the first edition of the State Energy Efficiency Preparedness Index, brought out jointly by the Bureau of Energy Efficiency (BEE) and NITI Aayog.

These three States together with Maharashtra and Punjab — also scored above 60 — were designated as Front Runner States in the survey, which assessed State policies and programmes aimed at improving energy

efficiency in five key sectors such as buildings, industries, municipalities, transportation, agriculture and electricity distribution. The other categories were Achiever (60-50), Contender (49-30) and Aspirant (below 30). For better comparison, the States were classified according to their energy consumption into four different groups. The Index has been developed taking into account sector-wise energy consumption, energy saving potential and States' influence in implementing energy efficiency. The Index examines States' policies and regulations, financing mechanisms, institutional capacity, adoption of energy efficiency measures and energy savings achieved. The Index has a total of 63 indicators — 59 across buildings, industry, municipalities, transport, agriculture and Discoms, and 4 cross-cutting indicators.

(Source: <https://ieema.org/smart-distribution-solution-for-affordable-reliable-and-quality-power/>)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “EKI”, “Company” or “we”, “us” or “our” means EKI Energy Services Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 144 of this Draft Red Herring Prospectus.

OVERVIEW

Our Company, was originally incorporated as EKI Energy Services Limited on May 03, 2011 under the provisions of Companies Act, 1956. Our Company has been in the business of Climate Change Advisory Services, Carbon Credits Trading, Business Excellence Advisory and Electrical Safety Audits. We are offering our services to various clients in the government and private sectors like power generation, waste management, clean development mechanism, airports and many more industries.

In the year 2011 we started the business of climate change advisory services involving consultancy for validation, registration, monitoring, verification, issuance and trading of eligible Carbon Credits Projects as from CDM (Clean Development Mechanism) /VCS (Verified Carbon Standard) Project. With the response from the market, our company further expanded its services in the year 2015 into carbon credits trading and also started various other services like Business Excellence Advisory Services & Training Services. Today with increasing awareness among the community with regards to the environment safety and energy conservation the company has also entered into Electrical Safety Audits.

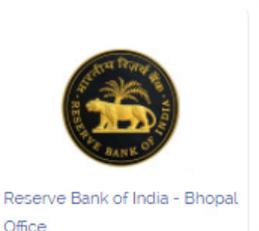
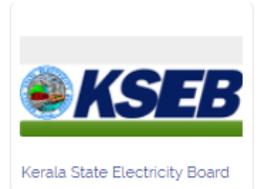
The government’s thrust on clean and green India and development of renewable sources of energy has created awareness among the business community and paved the way for the continuous growth and expansion of the company’s operations. We focus on client centric services particularly in the field of energy conservation, climate change advisory & business excellence sector domain, where the clients can get services like: consultancy, advisory, compliance, audits, trading & training services to become more profitable and sustainable

Our Company is an ISO 9001:2015 certified provider of different types of services relating to carbon offsets generation projects and National/International management standards implementation, management consulting, audit, training while considering the context of the organization and to meeting the needs and expectations of all interested parties stakeholders, statutory and regulatory requirements.

Mr. Manish Kumar Dabkara the promoter of the Company has an experience of around 12 years in the field of Carbon credit generation, trading and offsetting, Carbon Asset Management, Business Development and Quality Management Training. He is an accredited as Principal Contractor for Quality management Systems by National Board for Quality Promotion. He is also an empanelled as Lean Manufacturing Consultant by Quality Council of India. He also holds provisional certificate issued by National Productivity Council as Certified Energy Manager by the Bureau of Energy Efficiency, Ministry of Power, Government of India.

For the period ended on September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 our total revenue stood at Rs 5990.33 Lakhs, Rs 6590.44 Lakhs, Rs. 1975.57 Lakhs and Rs. 698.68 Lakhs respectively. Further, our PAT for the period ended on September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 were Rs. 538.58 Lakhs, Rs. 447.45 Lakhs, Rs. 68.04 Lakhs and Rs. 26.91 Lakhs respectively.

Furthermore our company has a broad client base in India and various countries like Australia, USA, Germany, Europe and many more. It has widespread reach in India and abroad including customers like:



AWARDS, CERTIFICATIONS & RECOGNITION RECEIVED BY OUR COMPANY

The high quality and consistency of our services has won the confidence of our customer. Some of the prominent certifications received by our Company are:

| Sr. No. | Nature of Registration/License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|---------|---|---------------------------|---|---|--------------------|
| 1. | ISO 9001:2015 | Q-911809883 | United Accreditation Foundation (UAF) and Trans Continental Certifications Pvt Ltd. | September 18, 2018 | September 17, 2021 |
| 2. | Certificate of Accreditation as QMS Consultant Organization | QCO1922 01 | National Accreditation Board for Education and Training | June 13, 2019 | April 05, 2022 |
| 3. | Recognition of HACCP Implementation & Certification Agency | QMC/HACC P/5 | Harmonized Codex General Principles of Food Hygiene and GMPs | Agricultural and Processed Food Products Export Development Authority | August 30, 2022 |

Our company has obtained ESCO grading under the aegis of Bureau of Energy Efficiency, Ministry of Power, Government of India. We have been assigned ICRA-BEE Grade 3 that indicates 'Good' ability of the graded energy service company to carry out energy efficiency audits and undertake energy efficiency projects. Our Company is member with International Emissions Trading Association and is the CDP i.e. Carbon Disclosure Project, global gold accredited climate change consultancy partner. We are members with Confederation of Indian Industry (CII) as well.

OUR BUSINESS STRENGTH: -

1. Quality Assurance, timely payment and delivery

Delivering quality services is one of our prime beliefs. We dedicate resources for quality assurance to ensure that quality norms are continually met. Further all our services are aimed at delivery on time and satisfaction of our customers. To meet the assurance standards our team makes consistent efforts to keep itself updated with latest standards of the industry and developing latest systems and SOPs for faster and efficient services. Moreover, in the business of carbon credit trading, we as a company give our attention and utmost priority to the clients' payment and reliability for the purchased carbon credits on time as per the contracts.

2. Broad customer base and Strong relationships with our customers

We have a strong and widespread clientele located overseas and in many cities across the country. We believe that we have a stable and esteemed core client base representing some large Indian industrial groups, Indian Power Producers, banks and other financial institutions, central public sector undertakings, SMEs and government bodies, among others.

Further, we believe that quality service in the consultancy business enables us not only to obtain repeat business from our existing clients, but to attract new business as well. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our relationship with our customers represent a competitive advantage in our business growth. We understand the market and have earned faith of our customers over a period of time by our strong will to deliver desired results. Our service offerings coupled with technical know-how, competitive fees, and execution capabilities help us to secure customer confidence.

3. Multiple Business verticals under one roof

Our company is engaged into various types of businesses like Carbon Credits Trading and Climate Change Advisory Services, Business Excellence Advisory and Electrical Safety Audits. We would continue to add risk

adjusted profit making business verticals. We believe that being a multi business verticals company we would provide benefits of diversification to our stakeholders.

4. Qualified management team and employee base

We have a qualified and professional employee base which looks after various business verticals, either on the marketing front, technical knowhow, business operations and or in other avenues. We believe human capital is one of the most valuable assets of our Company as their technical know-how and skill sets position us atwith a competitive advantage over our competitors in providing some of our services. Our human resource policies are aimed at recruiting talented, qualified, and youth young professionals and integrating them in to our Company. We also impart training to for the new recruits and conduct skill set development programmes for our employees. All our KMPs are well qualified and contribute to essential growth of our company. We believe that the combination of our Board and our skilled staff members has been key to our growth and will enable us to capitalize on further growth opportunities.

OUR BUSINESS STRATEGIES

1. Focus on Consultancy Business and spreading awareness about carbon neutrality

We intend to continue our focus on consultancy business, which we believe provides further growth opportunities through the retention of existing clients and acquisition of new clients. We believe that our inherent strength lies in the domain expertise developed over the years in providing consultancy services to a variety of sectors. We shall make efforts to further strengthen our consultancy business by deploying additional resources such as hiring experts, setting up of data centre and expanding our office network. We shall continue to provide high quality service and improve our brand visibility and penetration through wider marketing initiatives.

Also, we are providing consultancy for validation, registration, verification, issuance and trading of eligible Carbon Credits Projects in CDM (Clean Development Mechanism) /VCS (Verified Carbon Standard). This is being done by spreading awareness on carbon neutrality, what are the problems, and what is the solution we are offering. Using referral contacts and client database helps us to reach the uncovered areas of operations. Likewise publishing regular newsletters, organising webinar, attending networking events are also adding marketing base. As a part of our growth strategy, our potential to reach out the clients directly is a key success to increase our revenue from operations.

2. Increase the use of technology to improve operational efficiency

The volume of our business has increased over the last decade as we grow our services portfolio and have expanded the scope of services and the sectors we cater to. This has driven the need for operational efficiency. Some of our services have relatively low margins, but higher volumes. We operate in an industry that is categorised by nascent systems and information databases. Increasing our operational efficiency would entail increased use of technology, which would help us to improve productivity by documenting and continuously updating our knowledge base to ensure efficient and quality delivery of our services. Accessibility of updated information to our consultants through our information interface would help us increase our revenues and also help us in faster execution of assignments. We also intend to continue to improve employee productivity through training and technology.

3. Expanding our customer base

We are currently located at Indore. Going forward, our Company plans to tap new markets and reach out new customers in order to capitalize the growth and overall improvement in the business. Our Company intends to reach and explore untapped markets and segments as part of its strategy to locate new customers and mitigate external risks. Our Company will continue to explore such opportunities and also consider diversification at appropriate stage in future.

We plan to grow our business primarily by increasing the number of customers, as we believe that increased customer relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more customers. Our Company believes that our business is a by-product of

relationship. Our Company believes that a long-term customer relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

4. Creating awareness to reduce carbon emissions

- **Behavioral Changes** – Its often noticed that the tiniest of things makes a huge difference. For example, lighting up a typical floor of a building overnight can waste enough energy to prepare 1,000 cups of coffee. Switching the lights off, also for other electrical appliances; like the copy machine, printer, generator/inverter etc is actually an effort to reduce the amount of emissions on a daily basis.
- **Recycling** –Unwanted waste produced in running a business should be recycled. One of the best ways to start is by discouraging staff to keep a bin at their desks. Instead, providing them with the recycling bins for all kinds of office waste like glass, metal, paper and food etc at a common place. This will encourage a holy attitude towards saving the waste across your business.
- **Greener Commutes** – General populous drive or ride to their offices, by their own vehicle. This is ultimately inefficient and leads to a major amount of carbon emissions, not to mention traffic jams. To realise its severity towards society; businesses can persuade their staff to start car-pooling to work; to use public commute, or to walk or cycle to work, if at all possible. Businesses could even offer incentives to employees who have come up with greener ways to commute. Installing bike racks and sheds like facilities for the benefit of those who make an effort in this direction can prove to be a good push.
- **Efficient Heating** – There are a few ways to ensure that any heating system for a building, is working efficiently. These include proper system of insulation, blocking the drafts, and ensuring that radiators are never covered over. It is important to make sure that offices are never warming up so bad that your staff feels the need to open the windows.
- **Reduce & Reuse** – Office furniture and supplies do not consume energy themselves but the energy gets used in their manufacturing which sums up to a huge amount of consumption. One way to reduce your carbon footprint is, ensuring that all office supplies were sourced and manufactured in ethical and sustainable ways. Recycling the paper and using vegetable-based inks could be the best when it comes to the paperwork; & all office furniture should be made using sustainable wood.
- **Offsetting** – An organization can reduce their environmental impacts by offsetting their carbon emissions and wisely come down under their permissible limit.

At all cadres of operation, there are plenty of opportunities for businesses to reduce their carbon emissions. Most of these might seem obvious or even insignificant, but in the long-term, even the smallest of efforts from every business and organization can make a positive global impact.

OUR LOCATION

| | |
|--------------------------|---|
| Registered Office | 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore-452010, Madhya Pradesh, India. |
| Corporate Office | Office No 102 and 301 Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India. |

OUR SERVICES PORTFOLIO

- 1) Climate Change Advisory Services
- 2) Carbon Credits Trading
- 3) Business Excellence Advisory & Training Services
- 4) Electrical Safety Audits

1. CLIMATE CHANGE ADVISORY SERVICES

Our business approach towards carbon neutrality involves our operations in form of carbon credit trading and/or climate change advisory services. Carbon Neutrality means having a balance between emitting GHGs and avoiding/absorbing GHGs from the atmosphere in carbon sinks. Removing carbon dioxide from the atmosphere

and then storing it is known as carbon sequestration. In order to achieve net zero emissions, worldwide greenhouse gas emissions will have to be counterbalanced by carbon sequestration. The main aim behind development of this concept and related mechanisms is to encourage use of sources of renewable energy and discourage the use of conventional sources of energy which lead to massive emission of GHGs in order to protect the environment.

We offer Carbon Neutrality services to various industries like - Bio-Methanation project, Renewable Power Project (Wind, Solar, Hydro, Geo Thermal), Waste Management - Landfill project, Compost formation project, Energy Efficiency Project, Cookstove Project, Water Purification Project. We provide end to end solution to achieve carbon neutrality.

The business of climate change advisory services involves assistance for validation, registration, verification, issuance and trading of eligible Carbon Credits Projects as CDM (Clean Development Mechanism) /VCS (Verified Carbon Standard) Project. This involves following process:

- a) Validation
- b) Preparation of project idea note/project concept note
- c) Seeking Host Country Approval, assist in arranging stake holder consultation
- d) Assistance during Validation and Registration of the project
- e) Project pre-verification and preparation of monitoring data sheet
- f) Preparation of monitoring report and assistance during verification for first verification
- g) Reporting

a) Validation

We primarily identify any viable project capable of generating carbon credits. Our team does a thorough verification of the project to evaluate its operation and its possibilities to generate carbon credits. Moreover we also provide consultancy to clients for the necessary initiatives to be taken in registration of various carbon credit projects, which may help them to move towards carbon neutrality. We help organizations understand and adopt different concepts and mechanisms to reduce level of GHG emissions. We also assist in evaluating whether the project can be validated, based on the available and approved methodology or the existing methodology could be suitably applied or modified for validation of project.

b) Preparation of Project Idea Note/Project Concept Note (PCN)

Our Team holds discussions with senior officers at the project sites with the objective of understanding the project, collecting necessary data and completing the basic PCN document of the project. We conduct Site visit to understand the project and collect all relevant information. Thereafter, our team prepares detailed guidance note on how the project can be taken up under various GHG programs. Subsequently, we assess the feasibility of the project and submit a report to Project Commissioner whose decision about the feasibility of the project based on the submitted report and continuing with the activity shall be final.

c) Seeking Host Country Approval, assist in arranging stake holder consultation

As per UNFCCC procedures companies would invite local stakeholders' for a meeting at the project site to appraise them about the project and seek their comments. Our company sends its representative (preferably team leader) to the project site during the meeting who shall help companies in answering the queries, explaining the project and also draft the minutes of the meeting. Besides, as per the UNFCCC norm, companies would invite international stakeholders' comments on the CDM project. Our team shall arrange to post the Project Development Design (PDD) on Validator's website for public comments and help the clients to prepare answers to the queries posted by various parties, if any, to meet the validation requirements.

Our company present the Project development design of the project to the Ministry of Environment, Forests and Climate Change (MoEF&CC) which is the National CDM Authority (NCDMA), after fulfilling all secretarial requirements and assist companies in getting approval from the NCDMA, Government of India (GoI). Our representatives also make the presentation during the meeting at NCDMA, attend the meeting with client executive there and help prepare the replies, if any.

d) Assistance during Validation and Registration of the project

Our company submit the PDD to the validator for the validation of the project. We undertake visit to the site at least 1 working day before the validation visit to see the preparedness and assist project executives in the preparations. Our team provide answers to the questions/clarifications raised by the validator at various occasions for successful validation of the project.

Registration of Project under GHG mechanism

Our Company provides services which help project owners to get their projects registered/verified under following various GHG program mentioned below. We offer on time, quality services with 100% assurance of successful delivery.

- **Gold Standard (GS CER & GS VER Projects):** A standard for creating high-quality emission reductions projects in the Clean Development Mechanism and Voluntary Carbon Market. It was designed to ensure that carbon credits are not only real and verifiable but they make measurable contributions to Sustainable Development Goals worldwide.
- **Voluntary Carbon Standards (VCS):** This is a standard for voluntary carbon offset market. Based on the Kyoto Protocol's Clean Development Mechanism guidelines, VCS establishes criteria for validating, measuring, and monitoring carbon offset projects.
- **Clean Development Mechanism:** This is one of the Market Based Instruments defined in the Kyoto Protocol that provides for emissions reduction projects which generate Certified Emission Reduction units (CERs) which may be traded in emissions trading schemes.
- **Programme Of Activities:** Under a Programme of Activities (PoA) it is possible to register the coordinated implementation of a policy, measure or goal that leads to emission reduction. Once a PoA is registered, an unlimited number of Component Project Activities (CPAs) can be added without undergoing the complete CDM project cycle. Similarly PoAs can also be created in Gold Standard.
- **IREC:** International REC, driven by RECS International, Netherland It is mechanism which helps to register international projects to trade the green attribute associated with the generation of the power. These types of the certificates help the industries to make their consumed electricity green by purchasing the green attribute. This is voluntary in nature.
- **Airport Carbon Accreditation (up to level 4+):** ACA i.e Airport Carbon Accreditation is a mechanism governed by International Airport Council which allocate the levels to the different airports based on the work being done toward Carbon neutrality and taking care the carbon foot prints.

e) Project pre-verification and preparation of monitoring data sheet

Our team help to prepare the datasheet according to the requirement set out in the PDD. We visit the site shortly after the registration of the project on hearing from the client and appraise the project executives. We also review the data collection system and suggest necessary modifications, if any. We give a preliminary pre verification report containing the monitoring datasheet. Thereafter, we undertake another visit after client has taken corrective measures and undertake a pre verification exercise.

f) Preparation of monitoring report and assistance during verification for first verification

Thereafter we perform agreed-upon procedures to compare the data/ information gathered by project executives as per the monitoring datasheet as suggested and communicate our findings to the client. Our representative also remain present during the verification by DOE for first verification to assist the client.

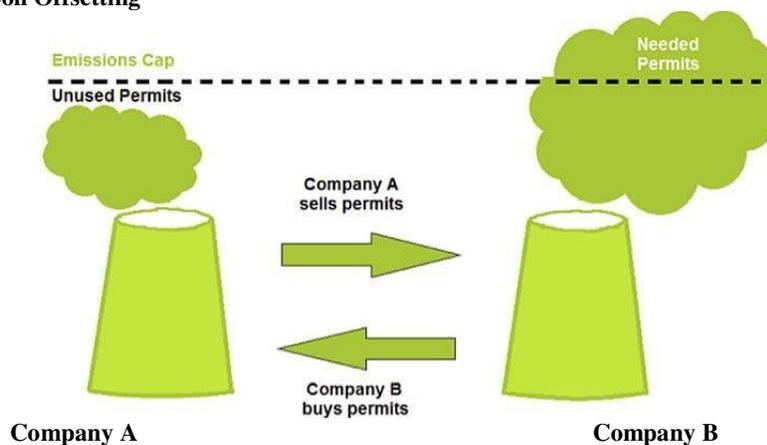
Carbon Footprinting - Carbon footprint or GHG Inventory is the total amount of Green House Gases (GHGs) released into the atmosphere due to a particular human activity using the Green House Warming potential values of the GHGs.

g) Reporting

- We work closely with the client to accomplish the registration process and make the projects eligible for trading of carbon credits. A designated Project In-charge of the Client who is responsible for the overall coordination and project development will play coordinating role in dissemination of the Consultant's outputs, facilitating discussions, and ensuring required reactions and responses to the Consultant.
- Sometimes we prepare Issue Papers highlighting issues that could become critical for the timely completion of the Project and that require attention from the client.
- Regular communication with the client and the Project Director/Coordinator is required in addition to all key communications. This may take the form of telephone/teleconferencing, emails, faxes, and occasional Meetings.

2. CARBON CREDITS TRADING

Voluntary Carbon Offsetting



Carbon offsetting means compensating for the carbon dioxide pollution one is making by preventing the same amount of pollution from happening somewhere else.

Carbon offsetting is the way to compensate for the damage done by an individual or a company by reducing or absorbing emitting carbon dioxide through any activity..

Once the organisations have decided to acquire carbon offsets for their carbon neutrality goals, next big hurdle is to select the right kind of carbon offset.

In addition some certification standards like Gold Standard Foundation (GS) and Global Carbon Council (GCC) also map, track, verify and certify additional impacts created by the projects with respect to Sustainable Development Goals (SDGs).

Our company conducts all the due diligence to ensure that client gets the right kind of offsets from the right project that suits their organization's interest and priorities.

Trading of Carbon credits



Carbon trading is an exchange of carbon credits between nations or parties that is, designed to lessen the overall carbon dioxide emissions. It is an innovative way that takes advantage of collaboration among countries or parties that have higher carbon dioxide emissions than the set limit with those that emit less carbon. Fortunately for developing countries like India, Brazil, China and others, carbon trading gives everyone a trading opportunity. This is achieved by selling of the carbon credits earned by reducing carbon emissions and making money along with helping the environment become safe.

As a developing country, India is a part of Kyoto Protocol developed under the UNFCCC- the United Nation Framework Convention on Climate change, but our country don't have binding targets on the amount of carbon released that many developed countries have. Thus, any attempt at reducing carbon and producing a positive output earns "Carbon Credits" for the businesses that does so "Carbon Credits". These carbon credits can be transferred to the buyer of carbon credits which generally include companies in rich developed countries inlike Europe, Germany, North America and UK which are facing issues in replacing their polluting units into keeping their carbon emissions within the limits set by Kyoto protocol.

CDM- Clean Development Mechanism aims at investing in emission reductioning projects in developing countries and allows our country to benefit from selling carbon credits to industrialized countries. India and China have surplus credits to offer countries that have a deficit. Thus, emitters in these developing countries that can successfully reduce their emissions at a cheap rate can, in turn, sell their surplus allowances to emitters with higher reduction costs. Waste disposal units, plantation companies, chemical plants, municipal corporations and even small investors can sell the carbon credits and make money.

Process Involved in Carbon Credit Trading

Carbon credits are held in digital form such that they may be traded over the counter. Our marketing team is deployed to find potential buyers of carbon credits in various countries and we attempt to find suitable seller for each type of credit requirement raised by potential buyer. We study the project requirements, credibility, quantum and profile of the buyer to offer the suitable credits at a competitive price, thereby making our margins. We have various projects registered with us hold carbon credits and once we find a suitable buyer for their credits, the issuance fees for the said projects are paid to make them tradable. Apart from registered projects in our portfolio we may also look for sellers across the globe with requisite carbon credits. Before executing any trade we ensure that the credits are Real, Quantifiable, 3rd party verified etc. We give first priority to sell all our carbon credits which are generated from our services number 1 - Climate Change Advisory Services & in case buyers do need credits out of that portfolio then we provide credits by sourcing them from our network of suppliers.

3. BUSINESS EXCELLENCE ADVISORY & TRAINING SERVICES

We provide end to end solution for ISO standards implementation within an organization and we even ensure proper maintenance of standards that are being implemented through a wide range of professional management training and consultancy programmes which aims to satisfy clients' requirements and needs.

Business Excellence Advisory & Training Services involves the following activities:

➤ **Maintaining Management System For Audit & Growth**

Maintaining a system is as important as implementing it. It's only through the maintenance activities that a company's progress and implementation can be checked and evaluated. We help organizations with documentation process, record keeping and more, ensuring the standards are perfectly followed maintained and are ready for audits.

➤ **Training for Corporate and Enterprise Teams**

We Offer customized training as per the need of the organization. Our training is not limited only to the executives of companies we work with. We also conduct train-the-trainer workshops for executives who are willing to become trainers and auditors. Our pro trainers are industry experts with international training experience and have conducted many public and private training programs.

OUR OFFERINGS

- a) ISO standards implementation consultancy, Trainings and Maintenance
- b) Lean Manufacturing Advisory Services

TRAININGS WE OFFER

- **ISO Trainings**
 - ISO Awareness Training - 1 day program
 - ISO Internal Auditors Training - 2 days program
- **Soft Skill Trainings**

Employee Motivation, Effective communication and email etiquettes, Train the trainer, Time Management etc.
- **Other Trainings**
 - RCA & CAPA
 - 5S Methodology
 - IATF Core Tools (APQP,PPAP,FMEA,SPC & MSA)Training
 - HACCP
 - Hazard Identification & Risk Assessment
 - Environmental Aspects & Impacts

OUR METHODOLOGY

- 1. Understand - Training On Standard Requirement**

Organizations need to have the knowledge, skills and capability to support a standard beyond the certification audit.
- 2. Prepare - GAP analysis**

We do gap analysis to identify what organizations do and what these standards recommends to do, it may be process addition or modification to adopt International Best Practices.
- 3. Implement - System Document Development and Internal Auditor Training**

Based on the trainings received the clients review their own management system and evaluate their existing policies and procedures to modify them to comply with the International best practice. Regular internal audits against the system are the requirements of the standard.

4. Review - Standard Implementation, Internal Audit and Management Review

We suggest clients to ensure that their employees are adopting the new protocols and procedures inline of the standards. Client are required to conduct an internal audit of their management system and implementation of the modified process. Further we ensure that clients examine their own processes and procedures in terms of effectiveness. Thereafter the future of their management system and the relative strength and weakness of the system is worked upon to identify areas for continual improvement.

5. Promote - Certificate Issue

Upon satisfactory audit appropriate certificate is provided to the client organization.

6. Continuing Assessment - Continuing assessment Visit

Re-assessment or Re certification of organization's management system is required every three years. Therefore, we conduct routine surveillance visits at planned intervals to monitor and evaluate continuing systems performance

OUR SPECIALITY

- Hand holding during internal audits
- Presence and support during 3rd party certification audits
- Practical and interactive training including case studies, Workshops and rigorous exercises.

a) Lean Manufacturing Advisory Services

Any organization can gain More with Lean Manufacturing - Through our Lean Manufacturing Advisory Services using specialized tools and techniques, we identify the problems that create waste - of products, time, labour and financial capital in any organization and eliminate these wastes to create value. We help an organization in increasing revenue, cash flow and long-term profitability by applying following Lean Tools & Techniques like:

- 5S • Kaizen • Visual Control • SOP • JIT • Kanban • TPM • Cellular Layout • Value Stream Mapping • Poka-yoke • SMED • Change Over Time Reduction • Continuous Improvement Material Management • PDCA • 7QC tools • OEE • TQM

4. ELECTRICAL SAFETY AUDITS

ELECTRICAL SAFETY AUDIT

An Electrical Safety Audit (ESA) is a systematic approach to evaluate potential hazards and to recommend suggestions for improvements. It is an important tool for identifying deterioration of standards, areas of risks or vulnerability, hazards and potential accidents in plants for determining actions to minimize hazards. Electrical Safety Audit is performed by enquiry, inspection, testing and verification. Electrical Safety Audits are conducted by knowledgeable and experienced professionals who assist clients in reducing risk and help to ensure compliance with applicable standards and Regulations.

Process of Electrical Safety Audit:-

The Electrical Safety Audit is carried out in a professional and streamlined manner by our team.

This Process is in following Steps:

➤ **Review**

Our auditor conducts inspection of the premises, review of documents, verification of the records and interviews.

➤ **Recording**

During the electrical safety audit, the auditor records the work practices and business processes of the company. The auditor also notes the details of all electrical installations and electrical equipments of the company.

➤ *Audit Report*

We prepare and present an audit report based on the findings of our audit team. This report involve details of all electrical hazards, findings, recommendations.

Scope of Electrical Safety Audit

- Identification of Electrical Hazards (shock, fire, explosion etc)
- Review of protection devices & system of the electrical installation
- Review of major cables on sampling basis of capacity and sizing.
- Review of Electrical Preventive Maintenance Program through document review.
- Identification of Hot Spot at Electrical Panels by the state of the art instrument Thermal Image
- Survey of Earthing System (Maintenance Aspects)
- Preparation of electrical safety audit report (Report Mainly consist of Check List, Observations, recommendations/ suggestions according to Risk Category)

Benefits of Electrical Safety Audit

Through Electrical Safety Audits the electrical installations in a facility will be checked and ensured for proper safety. It helps an organization to:

- To identify electrical hazards in advance if any, to prevent the danger of accidents.
- To assess for proper electrical protection method.
- To ensure consistency with Regulatory and Industry safety related procedures.
- Applicable for all industries, commercial buildings, Fuel Retailers etc.

HEALTH, SAFETY AND ENVIRONMENT

We are a pre-eminent organization in the realm of "climate change, carbon credit and sustainability solutions" across the globe. We aspire to render strategic solutions for helping businesses and organizations to achieve their climate ambition. Our objective is to rehabilitate the Earth to a low carbon and climate resilient global economy. Our Mission is to be a company which helps businesses to make Earth's Environment free of Global Warming and help them to achieve Continual Improvement through World-Class Management Systems. Our logo encompasses our vision. The symbols illustrate all renewable sources of energy i.e., Wind, Solar and Hydro energy, the application of which will help in mitigating the reliance on fossil fuels and combat the severe threat to the environment. The two colors i.e., blue and grey have been selected to manifest the business motive. The grey colour signifies preferring a safe and a balanced existence. Whereas blue colour signifies colour of the Earth that backs our tagline "Greening the Blue". Green is the way to go and reducing carbon footprints ensures not only smart ideas at work, but also ensures that we do our part in making this world a safer and greener place for years to come.

COLLABORATIONS/TIE UPS/ JOINT VENTURES: -

Except as disclosed in this Draft Red Herring Prospectus and normal course of business, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date.

CAPACITY AND CAPACITY UTILIZATIONS

As we do not have any own manufacturing facility and we are mainly engaged in services like: Carbon Credits Trading and Climate Change Advisory Services, Business Excellence Advisory & Training Services and Electrical Safety Audits, thus any specific data relating to capacity and capacity utilization does not exist.

EXPORT OBLIGATION:

Our Company does not have any export obligation as on the date of this Prospectus.

SALES AND MARKETING: -

As a B2B services provider, our channels of marketing are such that we can reach and target our clients of various sectors to offer our services. We have a mix of online and offline marketing platforms. Physical access to B2B decision makers is always difficult and restricted; hence the first step is to connect with them digitally. The decision makers and influencers we want to reach out to, are most of the times present and reachable on

professional networking sites. Email Marketing techniques are also used sometimes when we want to share an important update regarding policies or our achievement with a large number Audience. Likewise publishing regular newsletters, organising webinar, attending networking events are also adding marketing base.

Building trust is as important as building connections, where meet ups play an important role. We learnt it's importance during the pandemic when physical meetings were prohibited to keep everyone safe and were taken over by online meetings and webinars. Post pandemic, our team follows all regional and national guidelines while venturing out for any physical meetings. Meetings are covered through one to one meetings or through participation in webinars and online exhibitions to promote our services. Physical meetings are accompanied by printed materials of brochure and service specific leaflet for reference. We do not promote distribution of printed material to keep our Carbon Footprint as low as possible.

Mandatory and voluntary offset markets

Carbon offsets are currently sold in either mandatory or voluntary markets.

In the mandatory market, buyers operate within the cap-and-trade regime. The Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) established a cap-and-trade system that set a total upper limit on emissions and then either allocates or auction off emissions allowances –basically, licenses to pollute a certain amount to, interested buyers. These systems are meant to achieve the greatest emissions reductions at the least cost because emitters with cheap options for reducing their emissions can sell their surplus allowances to emitters with higher reduction costs.

Voluntary market, on the other hand, does not function under a cap-trade system, and neither individuals nor companies are mandated to act. Rather, they choose to offset their emissions out of concern for the environment or to improve the company's image. They enable businesses, governments, NGOs, and individuals to offset their emissions by purchasing offsets that were created either through the CDM or in the voluntary market.

Revenue from Operations from our different services

The following table sets forth our revenue from operations from our different services for the periods indicated below:

| Sr No | Product | Amount (in lakhs) | | | |
|-------|--|-------------------|----------------|----------------|---------------|
| | | 30-Sep-20 | 31-Mar-20 | 31-Mar-19 | 31-Mar-18 |
| 1 | Carbon Credits Trading | 5,909.23 | 6239.85 | 1825.12 | 570.88 |
| 2 | Climate Change Advisory Services | 53.49 | 265.91 | 108.69 | 117.82 |
| 3 | Business Excellence Advisory & Training Services | 10.02 | 64.92 | 41.76 | 9.98 |
| 4 | Electrical Safety Audits | 17.59 | 19.76 | 0 | 0 |
| | Total | 2040.33 | 6590.43 | 1975.58 | 698.68 |

COMPETITION: -

Our company operates in a very niche Industry. Our Company is well placed, well informed and well trained to assist clients in overall delivery. We have a number of competitors offering services similar to us. We believe the principal elements of competition in our industry are service quality, price, timely delivery and reliability and most importantly our pace in keeping up with the required regulations and changing technology in the industry. We believe that our cost effective and integrated facilities, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in our services. Some of our competitors are: Mitcon Consultancy & Engineering Services Limited, Ernst & Young, Deloitte Haskins & Sells LLP, Price Waterhouse Coopers, and Emergent Ventures India

INFRASTRUCTURE & UTILITIES: -

Our registered office is situated at Indore, Madhya Pradesh which is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Further, our office has facilities of water provided by respective authority and the requirement of power for our operations, like power for lighting and operating the equipments is sourced from Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Ltd.

Human Resource: -

As on September 30, 2020, we have employed approximately 70 full-time employees, including senior management. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage.

| Sr No | Category | No. of Employees |
|-------|-----------------------------|------------------|
| 1 | Senior Management Personnel | 3 |
| 2 | Skilled Staff | 65 |
| 3 | Unskilled Staff | 2 |
| | Total | 70 |

INSURANCE: -

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We maintain insurance coverage that we consider customary in the industry against certain of the operating risks. Our insurance policies include various insurance policies such as Business Advantage - All Risks, Health Insurance, Mediclaim Policy, Group Care Policy – to insure our employees, Bundled - Private Car Policy, etc. We believe that our current level of insurance is adequate for our business and consistent with industry practice, and we have not historically experienced a loss in excess of our policy limits. We may not be able to obtain insurance coverage in the future to cover all risks inherent in our business, or insurance, if available, may be at rates that we do not consider to be commercially reasonable.

IMMOVABLE PROPERTY: -

Details of our properties are as follows: -

| Sr No | Details of the Property | Actual Use | Owned/ Leased/ License | Licensor/ Lessor/ Vendor/Landlord | Consideration/ Lease Rental/ License Fees |
|--------------------------------------|---|-------------------|------------------------|--|---|
| Registered Office | | | | | |
| 1. | 201, Plot No. 48, Scheme No. 78, Part II, Vijay Nagar(Near Brilliant Convention Centre) Indore, Madhya Pradesh - 452010 | Registered Office | Leased | Mr. Manish Kumar Dabkara and Mrs. Vidhya Dabkara | Our Company has obtained the approval vide No Objection Certificate dated December 05, 2020 to use the said property from its owners, being our Promoter, Mr. Manish Kumar Dabkara and our Promoter Group Member Mrs. Vidhya Dabkara on no rent basis, till the said NOC is withdrawn in writing. For further details of property please refer to Chapter titled “ <i>Our Business</i> ” beginning on page 98 |
| 2. | Office No 102 and 301 Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India. | Corporate Office | Leased | | |
| Other Properties- Investments | | | | | |
| 3. | Plot No. 140 Scheme No. 78, Part II, Indore Madhya Pradesh 452010 on lease from Indore Vikas Pradhikaran for a period of 30 years upto 26.02.2034 | Investments | Owned | Lokesh Yashi and Nilima Yashi | The Sale Deed was executed between the EKI Energy Services Limited and Lokesh Yashi and Nilima Yashi vide Sale Deed dated November 28, 2019 for a consideration of Rs 2,50,00,000/- |

Note: Our Company has made advance payment of Rs 8,60,000/- towards investment in Freehold Commercial property situated at Plot No. 8, Scheme 59, Part III, Indore, Madhya Pradesh, India vide reservation letter no. 7352 dated November 20, 2020

Intellectual Property:-

The Details of Logo used by the Company is:-

| Sr. No. | Brand Name/Logo/ Trademark | Class | Nature of Trademark | Owner | Application Number and Date | Status |
|---------|----------------------------|-------|---|-----------------------------|--|-------------------------|
| 1 | Trademark | 35 | ENKING INTERNATIONAL | EKI Energy Services Limited | App. No. 4481527 Dated: March 24, 2020 | Registered |
| 2 | Trademark | 35 |  | | App. No. 4481530 Dated: March 24, 2020 | Accepted and Advertised |
| 3 | Trademark | 35 |  | | App. No. 3486350 Dated: February 17, 2017 | Registered |
| 4. | Trademark | 41 | ENKING INTERNATIONAL | | App. No. 4481528 Dated: March 24, 2020 | Registered |
| 5. | Trademark | 42 | ENKING INTERNATIONAL | | App. No. 4481529 Dated: March 24, 2020 | Registered |

Registered domain names relating to Our Company-

| Sr. No. | Domain Name and ID | Sponsoring Registrar and IANA ID | Creation Date | Expiry Date |
|---------|--|---------------------------------------|-----------------------|--------------------|
| 1. | Domain Name: www.enkingint.org ID: D154163132-LROR | Sponsoring Registrar: IANA ID: 146 | September 20, 2008 | September 20, 2023 |

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 198 of this Draft Red Herring Prospectus.

This chapter has been classified as under:

- A. Business and Trade Related Laws**
- B. General Corporate and Commercial laws**
- C. Labour and employment Laws**
- D. Tax Laws**
- E. Intellectual Property Laws**
- F. Foreign Exchange Regulations**

A. BUSINESS AND TRADE RELATED LAWS

Kyoto protocol and carbon credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing Green House Gases (GHGs) that cause climate change. The Kyoto Protocol was agreed on December 11, 1997 at the third conference of the parties to the treaty when they met in Kyoto, and entered into force on February 16, 2005. India signed and ratified the Kyoto Protocol in August, 2002. The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations)

The protocol includes Flexible Mechanisms which allow developed nations to meet their GHG emission limit by purchasing GHG emission reductions from elsewhere. These can be bought either from projects which reduce emissions in developing nations under the Clean Development Mechanism (—CDM) or the Joint Implementation scheme or under Emission trading from developed nations with excess allowances.

Pursuant to Article 12 of the Kyoto Protocol, the CDM allows emission-reduction (or emission removal) projects in developing countries to earn certified emission reduction (—CER) credits, each equivalent to one tonne of carbon dioxide. These CERs can be traded and sold, and used by industrialized countries to a meet a part of their emission reduction targets under the Kyoto Protocol.

Article 17 of the Kyoto Protocol, allows countries that have emission units to spare – emissions permitted to them but not "used" - to sell this excess capacity to countries that are over their targets. Thus, a new commodity was created in the form of emission reductions or removals. Since carbon dioxide is the principal greenhouse gas, it is known simply as trading in carbon.

The procedure for obtaining certification was laid down in a Decision of the Conference of Parties in 2005 (the apex decision making body under the Kyoto Protocol), and it involves submitting proposals to the ‘Designated National Authority’, which must register the project before it can be submitted to the relevant authority under the executive board of the United Nations Framework Convention on Climate Change [UNFCCC].

The designated authority in India is the National Clean Development Mechanism Authority, under the Ministry of Environment and Forests. Once a proposal has been approved by the ‘Designated National Authority’, an accredited third party institution, a ‘Designated Operational Entity’, validates the project and submits the proposal to the ‘Executive Board’, which is a body set up under the Kyoto Protocol to monitor CDM projects at the international level.

Paris Agreement

The Paris Agreement is a landmark environmental accord that was adopted in 2016 to address climate change and its negative impacts. India also ratified this agreement in 2016. The agreement aims to substantially reduce global greenhouse gas emissions in an effort to limit the global temperature increase in this century to 2 degrees Celsius above pre-industrial levels, while pursuing means to limit the increase to 1.5 degrees.

The agreement includes commitments from all major emitting countries to cut their climate-altering pollution and to strengthen those commitments over time. The pact provides a pathway for developed nations to assist developing nations in their climate mitigation and adaptation efforts, and it creates a framework for the transparent monitoring, reporting, and racking up of countries' individual and collective climate goals.

The Agreement aims at:

- A requirement for mitigation measures of individual countries to be expressed in nationally determined contributions (NDCs);
- A process that demands a revision of NDCs at least every 5- years representing progression beyond the last NDCs;
- A mechanism for countries to achieve NDCs jointly, sharing mitigation targets, and a mechanism for countries to cooperate in achieving NDCs. Countries can meet their NDC targets by transferring 'mitigation outcomes' internationally – either in the context of emission trading, or to allow results-based payments
- A mechanism for private and public entities to support sustainable development projects that generate transferrable emission reductions;
- A framework for enhanced transparency and an expert review of NDCs;
- A Global Stocktake from 2023 and every 5 years thereafter to review progress;
- Encouragement for Parties to implement existing frameworks for REDD+ including through the provision of results-based payments;
- A global goal of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, and commitment to providing enhanced support for adaptation;

Article 6 of the Paris Agreement aims at promoting integrated, holistic and balanced approaches that will assist governments in implementing their NDCs through voluntary international cooperation.

Article 6.2 allows countries to strike bilateral and voluntary agreements to trade carbon units.

Article 6.4 creates a centralised governance system for countries and the private sector to trade emissions reduction anywhere in the world. This system known as the Sustainable Development Mechanism (SDM) is due to replace the Clean Development Mechanism (CDM), established under the Kyoto Protocol.

Finally, Article 6.8 develops a framework for cooperation between countries to reduce emissions outside market mechanisms, such as aid.

Under the Paris Agreement, a share of proceeds from the markets needs to be deployed to help developing countries adapt to climate impacts. Whether this applies to the centralised SDM market only or to all trading, including from bilateral agreements has not yet been agreed.

Under this mechanism, countries with low emissions would be allowed to sell their exceeding allowance to larger emitters, with an overall cap of greenhouse gas (GHG) emissions, ensuring their net reduction. Supply and demand for emissions allowances would lead to the establishment of a global carbon price that would tie the negative externalities of GHG emissions to polluters. In other words, by paying a price on carbon, states exceeding their NDCs would bear the costs of global warming.

Kyoto Protocol Vs Paris Agreement

Unlike the Kyoto Protocol, which established legally binding emissions reduction targets (as well as penalties for noncompliance) for developed nations only, the Paris Agreement requires that all countries—rich, poor, developed, and developing—do their part and slash greenhouse gas emissions. To that end, greater flexibility is built into the Paris Agreement: No language is included on the commitments countries should make, nations can

voluntarily set their emissions targets (NDCs), and countries incur no penalties for falling short of their proposed targets.

Securities Contract Exchange Act, 1956

Securities Contracts Regulation Act, 1956 (SCRA) provides for the legal framework for commodity derivatives trading and Security Exchange Board of India as the oversight regulator. The Central Government brought amendments in the Securities Contracts (Regulation) Act, 1956 (SCRA) to include commodity derivative under the definition of derivatives and included Section 2(bc) definition of Commodity Derivative. Further, Central Government vide Notification No. S.O.3068(E) dated September 27, 2016 notified carbon credits as goods for the purposes of clause (bc) of section 2 of SCRA. i.e. to be treated as commodity derivative which is not a security.

HACCP Certification [Hazard Analysis And Critical Control Point Certification]

Recognizing the importance of HACCP to food control, the 20th session of Codex Alimentarius Commission held in Geneva Switzerland adopted Guidelines for the application of Hazard Analysis Critical Control Point (HACCP).

The Codex Alimentarius General Principles of Food Hygiene lay a firm foundation for ensuring effective food control and food hygiene. The General Principles of food hygiene follow the food chain from primary production to the consumer, highlighting the key hygiene controls at each stage. Codex has established HACCP based approach to ensure food safety as a benchmark in the International Food Trade.

The HACCP System, as it applies to food safety management, uses the approach of controlling critical points in food handling to prevent food safety problems. The HACCP system identifies specific hazards and control measures to ensure the safety of food. A HACCP plan is specific to the particular food and processing application. The HACCP system is capable of accommodating changes such as advances in equipment design, new information concerning health hazards or risks, new processing procedures or technological developments.

ISO 9001:2008 and ISO 9001: 2015-Quality Management System

ISO 9000 is a series of standards, developed and published by the International Organization for Standardization, that define, establish, and maintain a quality assurance system for manufacturing and service industries. The standards are available through national standards bodies. ISO 9000 deals with the fundamentals of quality management systems, including the eight management principles upon which the family of standards is based. ISO 9001 deals with the requirements that organizations wishing to meet the standard must fulfil. Third-party certification bodies provide independent confirmation that organizations meet the requirements of ISO 9001.

ISO 9001:2008 specifies the requirements for a quality management system where an organization:

- Needs to demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements, and
- Aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable regulatory requirements.

ISO 9001:2015 specifies requirements for a quality management system when an organization:

- needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and
- Aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

All the requirements of ISO 9001:2015 are generic and are intended to be applicable to any organization, regardless of its type or size, or the products and services it provides.

Electricity Act 2003

The Electricity Act 2003 which was passed in June 2003 This Act provided for increased competition in the sector by facilitating open access in transmission and distribution (open access is a permission to use the power

lines), power trading and also allowing setting up of captive power plants without any restriction. This Act would override all the existing acts governing the power sector and State reform Acts passed earlier that contradict this Act would have to be suitably amended so that Electricity Act will prevail.

Among other provisions, this Act provides for free access to Distribution licensees to undertake generation and generation companies are free to undertake distribution license. The commission can allow multiple licenses in the area of a distribution licensee. Under the provisions of this Act, these distribution licensees are under obligation to ensure safety of public at large for their acts involving distribution of electricity, affixing or installing equipments for facilitating electricity distribution as well as while the electricity is used by public/users. The requirement of Electricity Safety audits emanate from this law and other Rules and Regulations of the State Governments regarding transmission and distribution of electricity.

The M.P. Licensing Board (Electrical) Regulations, 1960

The Regulations provides for establishment of the Licensing Body who issues licenses to the wiremen, Electrical Contractors and supervisors. The Regulation also provides procedure for granting Licenses to the Electrical Contractor to inspect and test electrical equipments and specifies the conditions for obtaining such approvals from the Licensing Board.

B. GENERAL CORPORATE LAWS AND COMMERCIAL LAWS

The Companies Act, 2013

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

Negotiable Instruments Act, 1881

In India, any negotiable instruments such as cheques are governed by this Act. Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

The Registration Act, 1908 (“Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

Indian Stamp Act, 1899 (the “Stamp Act”)

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on

all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Arbitration and Conciliation Act, 1996

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

The Code proposes for a fast track insolvency resolution process for companies with smaller operations. The process will have to be completed within 90 days, which may be extended upto 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

The Competition Act, 2002

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “*prohibitanti competitive agreements, abuse of dominant positions by enterprises*” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

C. LABOUR AND EMPLOYMENT LAWS

The Micro, Small and Medium Enterprises Development Act, 2006

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, (ii) a small enterprise, or (iii) a medium enterprise, based on their investment in plant and machinery as per last audited financials of the entity. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a micro, small or medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

Madhya Pradesh Shops and Establishment Act, 1958

This Act came into effect from October 3, 1958 with the objective to govern the establishment of Shops in the State of Madhya Pradesh and is applicable on the shops established in the municipal areas and such other places as may be notified in Schedule II or may be notified by State Government. No shop or establishment can operate without taking registration under this Act. It stipulates and impose obligation on the employer/ shop keeper to ensure the compliances of the facilities guaranteed in this Legislation to the employee such as Holidays, working hours, payment of wages, and notices for termination of service. This legislation ensures the proper working conditions and maintenance of records pertaining to an establishment or shops.

Employees' Compensation Act, 1923

The Employee's Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Employees State Insurance Act, 1948

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

Payment of Gratuity Act, 1972

Gratuity is a lump sum payment made by an employer as the retrial reward for his past service when his employment is terminated. The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed Rs. 3.50 Lakhs. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("Act") and the schemes formulated there under ("Schemes")

The Act is applicable to factories employing more than 20 employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. All the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance fund for the benefit of employees in factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

i. The Employees Provident Fund Scheme: As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.

ii. The Employees Pension Scheme: Employees' Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this -behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees' Pension Scheme and credit the contribution to the Employees' Pension Fund.

iii. The Employees Deposit Linked Insurance Scheme: As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every

month by a separate bank Draft Red Herring or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

The Maternity Benefit Act, 1961

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. It applies in the first instance, to every establishment being a factory, mine or plantation including any such establishment belonging to Government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances.

Apprentices Act, 1961

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs 50,000/- (Rupees Fifty Thousand Only).

D. TAX LAWS

Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

Madhya Pradesh Professional Tax Act, 1995

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

to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

The Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is an indirect tax throughout India levied by the central and state governments. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. Central GST and State GST is levied on the Transactions made within a single state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption based tax, therefore, taxes are paid to the state which the goods or services are consumed not the state in which they were produced. IGST complicates tax collection for State Governments by disabling them to collect the tax owed to them directly from the Central Government. Under the previous system, a state would have to only deal with a single government in order to collect tax revenue.

Following laws which have been subsumed in GST Acts were applicable to the Company till 30th June 2017 and shall remain applicable here after as stated in the GST ACTS:

(i) Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register itself with the appropriate authorities.

E. INTELLECTUAL PROPERTY LAWS

The Trademarks Act, 1999 ("Trademarks Act")

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

F. FOREIGN EXCHANGE REGULATIONS

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder

FEMA is an Act of the Parliament of India to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. This Act makes offences related to foreign exchange civil offenses. It extends to the whole of India, replacing FERA, which had become incompatible with the pro-liberalization policies of the Government of India. FEMA is a regulatory mechanism that enables the Reserve Bank of India to pass regulations and the Central Government to pass rules relating to foreign exchange in tune with the Foreign Trade policy of India.

FEMA enabled a new foreign exchange management regime consistent with the emerging framework of the World Trade Organization (WTO). While one deal with foreign exchange; be it for imports, exports, inbound investments or for outbound investments, provisions of FEMA need to be complied with.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY AND BACKGROUND

Our Company was incorporated as EKI Energy Services Limited, a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh on May 03, 2011.

Mr. Manish Kumar Dabkara, Mrs. Vidhya Dabkara, Mrs. Priyanka Dabkara, Mr. Anand Kumar Pandey, Mr. Naveen Sharma, Mrs. Poorvi Joshi, Mr. Abhishek Sinha, Mr. Atul Pachori and Mr. Girish Chulet were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company's profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled "*Our Business*", "*Industry Overview*", "*Our Management*", "*Financial information of the Company*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 98, 86, 125, 144 and 185 respectively of this Draft Red Herring Prospectus.

ADDRESS OF REGISTERED & CORPORATE OFFICE

| | |
|--------------------------|---|
| Registered Office | 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore-452010, Madhya Pradesh, India. |
| Corporate Office | Office No 102 and 301 Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India. |

CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

Except as stated below, there has not been any change in our Registered Office since inception of the Company till the date of the Draft Red Herring Prospectus.

| Effective Date | From | To | Reason for Change |
|-------------------|--|--|------------------------------------|
| December 25, 2015 | 325-C, Prem Trade Centre, Opp. Gujrati Girls College, Maharani Road, Indore-452007 | 201,202, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar, Brilliant Convention Centre, Indore-452010 | To increase Operational Efficiency |
| February 15, 2016 | 201,202, Plot No. 48., Scheme No. 78, Part-Ii, Vijay Nagar, Brilliant Convention Centre, Indore-452010 | 201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar, Brilliant Convention Centre, Indore-452010 | To increase Operational Efficiency |

OUR MAIN OBJECTS

The main objects of our Company, as set forth in our Memorandum of Association, of our company are as follows:

1. To carry on business relating to preliminary / detailed energy/environment /emission audits of projects, plant and processes, formulation of detailed project reports, project implementation assistance and monitoring of projects with respect to energy/environment /emission saving projects and systems, audit instrument hiring services, equipment wise audits and performance tests, third party certification of energy /environment /emission projects and energy products / equipments, assistance in performance contracting for energy / environment /emission projects with vendors, soft loan syndication services for implementation of energy / conservation/ environment /emission projects / equipments, basic and detailed engineering services for tailor-made energy conservation / environment / emission projects, consultancy / facilitation services for emission trade (carbon credit / white certificate / green certificate) and business for energy / environment / emission projects, corporate energy planning & energy costing, recommendation of energy mix / purchase policy for optimum energy costs, technology sourcing for energy / conservation / environment /emission projects, macro and policy studies, capacity building and customized training packages, safety and maintenance audits, audit / Consultation / Training Services related to Green

Buildings, Cleaner Production, Energy , Carbon & Environment Management System, BPO / KPO services related to the trades as - Renewable / Non Renewable Energy / Environment / Emission.

2. To provide pre-investment, pre-contract and post-contract project management consultancy services including basic and detailed engineering services for implementation of renewable energy projects and render all types of consultancy services to businesses, institutions and governments for promotion and adoption of renewable energy applications and provide clean, green and efficient solutions to global energy issues.
3. To act as single window service provider for harnessing global opportunities in the trade of emission reductions and climate change business.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

| Date of Meeting | Type of Meeting | Amendments |
|-------------------|-----------------|--|
| November 11, 2020 | AGM | Increase in Authorized Share Capital from 5,00,000 divided into 50,000 Equity shares of Rs. 10 each to Rs. 7,50,00,000 (Rupees Seven Crore Fifty Lakh) divided into 75,00,000 (Seventy Five Lakhs) Equity Shares of Rs. 10/- each. |

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Annual General Meeting of the Company dated November 11, 2020.

KEY EVENTS AND MILESTONES

The Table below sets forth some of the major events in the history of our company:

| Year/F.Y. | Key Events / Milestone / Achievements |
|-----------|--|
| 2011 | Incorporation of the Company in the name of "EKI Energy Services Limited" |
| 2013 | We initiated the first project under Gold Standard. |
| 2013 | New Vertical of Business Excellence Advisory & Training Services started |
| 2014 | Started the business of Carbon credit trading |
| 2016 | Change in Registered Office of our Company. |
| 2018 | New vertical of Electrical Safety Audit started |
| 2019 | We entered South East Asian market |
| 2020 | We have been assigned ICRA-BEE Grade 3 that indicates 'Good' ability of the graded energy service company to carry out energy efficiency audits and undertake energy efficiency projects. |
| 2020 | Our Company received membership with International Emissions Trading Association and is the CDP i.e. Carbon Disclosure Project, global gold accredited climate change consultancy partner. |

OTHER DETAILS ABOUT OUR COMPANY

For details of our Company's activities, products, growth, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" and "**Basis for Issue Price**" on pages 98, 185 and 81 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled "**Our Management**" and "**Capital Structure**" beginning on page 125 and 61 of the Draft Red Herring Prospectus respectively.

CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 61 of the Draft Red Herring Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 182 of the Draft Red Herring Prospectus.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

HOLDING COMPANY

As on the date of the Draft Red Herring Prospectus, our Company is not a subsidiary of any company.

SUBSIDIARY OF OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary Company.

ASSOCIATE COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any Associate Company.

INJUNCTION OR RESTRAINING ORDER

There are no injunctions/restraining orders that have been passed against the Company.

DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC

In the last 10 years, there are no mergers, amalgamation, revaluation of assets etc. with respect to our company and we have not acquired any business/undertaking in the said period.

NUMBER OF SHAREHOLDERS OF OUR COMPANY:

Our Company has Seven (7) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 61 of the Draft Red Herring Prospectus.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “*Our Management*” on page 125 of the Draft Red Herring Prospectus.

SHAREHOLDERS AGREEMENTS

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Herring Prospectus.

COLLABORATION AGREEMENTS

As on date of this Draft Red Herring Prospectus, Our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

STRATEGIC OR FINANCIAL PARTNERS

Our Company does not have any strategic or financial partners as on the date of this Draft Red Herring Prospectus.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Red Herring Prospectus.

OTHER AGREEMENTS**NON COMPETE AGREEMENT**

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

JOINT VENTURE AGREEMENT

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

| Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN | Date & term of Appointment | No. of Equity Shares held & % of Shareholding (Pre-Issue)] | Other Directorships |
|---|---|--|---|
| <p>Mr. Manish Kumar Dabkara Father's Name: Mr. Jaggannath Dabkara Age: 36 years Date of Birth: August 10, 1984 Designation: Chairman & Managing Director Address: Plot No. 48, Scheme 78 Part 2, Vijay Nagar, Near Brilliant Convention Centre, Indore-452010, Madhya Pradesh-India Experience: 12 Years Occupation: Business Qualification: Master of Technology Nationality: Indian DIN:03496566</p> | <p>Originally Appointed as Managing Director w.e.f. May 03, 2011</p> <p>Further, re-designated as Whole time Director w.e.f. June 01, 2013</p> <p>Further, re-designated as Managing Director w.e.f. February 17, 2014</p> <p>Further, re-designated as Managing Director w.e.f. February 12, 2019</p> <p><i>(Not liable to retire by rotation)</i></p> | <p>35,35,000 Equity Shares [70.00%]</p> | <p>Companies:</p> <ol style="list-style-type: none"> Glofix Advisory Services Private Limited Carbon Neutral Europe OU* Africa Advisory Services Limited* Enking International Pty Ltd <p>LLPs:</p> <ol style="list-style-type: none"> Enking International LLP <p>HUFs:</p> <ol style="list-style-type: none"> Manish Kumar Dabkara HUF Jagannath Dabkara HUF <p>Proprietorship:</p> <ol style="list-style-type: none"> Enking International |
| <p><i>*Carbon Neutral Europe OU incorporated in Estonia and Africa Advisory Services Limited incorporated in Kenya have applied for Liquidation in their respective countries of incorporation.</i></p> | | | |
| <p>Mr. Naveen Sharma Father's Name: Mr. Rajkishore Sharma Age: 36 years Date of Birth: January 01, 1984 Designation: Whole-time Director Address: B-2, Flat No. 304, Sagar Avenue Mahaveer Colony Near Kalpi Bridge Morar, Gwalior Gird, Gwalior, Madhya Pradesh, India- 474005 Experience: 10 Years Occupation: Service Qualification: Master of Business Administration (MBA) Nationality: Indian DIN:07351558</p> | <p>Originally Appointed as Additional Non-Executive Director w.e.f. November 27, 2015</p> <p>Further, regularized as Non-Executive Director w.e.f. September 03, 2016</p> <p>Further, re-designated as Whole-time Director w.e.f. November 05, 2020</p> <p><i>(liable to retire by rotation)</i></p> | <p>35,350 Equity Shares [0.7.00 %]</p> | <p>Companies:</p> <ol style="list-style-type: none"> Glofix Advisory Services Private Limited <p>LLPs:</p> <ol style="list-style-type: none"> Enking International LLP |

| Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN | Date & term of Appointment | No. of Equity Shares held & % of Shareholding (Pre-Issue)] | Other Directorships |
|--|---|--|--|
| <p>Mrs. Sonali Sheikh Father's Name: Mr. Ibrahim Sheikh Age: 31 years Date of Birth: July 29, 1989 Designation: Whole-time Director & Chief Financial Officer Address: 123, Juna Risala, Gali No. 2 Indore Madhya Pradesh India 452001 Experience: 9 Years Occupation: Service Qualification: Master of Business Administration (MBA) Nationality: Indian DIN: 08219665</p> | <p>Originally Appointed as Additional Non-Executive Director w.e.f. September 10, 2018</p> <p>Further, regularized as Non-Executive Director w.e.f. September 30, 2019</p> <p>Further, re-designated as Whole-time Director & Chief Financial Officer w.e.f. November 05, 2020 <i>(liable to retire by rotation)</i></p> | <p>35,350 Equity Shares [0.7.00 %]</p> | <p>Companies:</p> <ol style="list-style-type: none"> Glofix Advisory Services Private Limited <p>LLPs:</p> <ol style="list-style-type: none"> Enking International LLP |
| <p>Mrs. Priyanka Dabkara (W/o of Manish Dabkara) Father's Name: Mr. Ishwarlal Dhanotiya Age: 33 years Date of Birth: January 16, 1987 Designation: Non-Executive Director Address: Enking Embassy Plot No. 48, Scheme No. 78 Part 2 Near Brilliant Convention Centre, Vijay Naga Indore Madhya Pradesh India 452010 Experience: 10 Years Occupation: Business Qualification: Master of Computer Application Nationality: Indian DIN: 08634736</p> <p>Nationality: Indian</p> | <p>Originally Appointed as Additional Non-Executive Director w.e.f. December 10, 2019</p> <p>Further, regularized as Non-Executive Director w.e.f. November 11, 2020 <i>(liable to retire by rotation)</i></p> | <p>2,92,900 Equity Shares [5.80 %]</p> | <p>Companies:</p> <ol style="list-style-type: none"> Glofix Advisory Services Private Limited |
| <p>Mr. Ritesh Gupta Father's Name: Mr. Ram Mohan Gupta Age: 46 years Date of Birth: August 15, 1974 Designation: Independent Director Address: 11-A, Chandra Nagar, M.R.9.A.B. Road, Indore, Madhya Pradesh-452011-India Experience: 20 Years Occupation: Practicing Company Secretary Qualification: Company Secretary Nationality: Indian DIN: 00223343</p> | <p>Originally Appointed as Additional Independent Director w.e.f. November 05, 2020</p> <p>Further, regularized as Independent Director w.e.f. November 11, 2020 <i>(Not liable to retire by rotation)</i></p> | <p>NIL</p> | <p>Companies:</p> <ol style="list-style-type: none"> Industrial Air Products Private Limited Electryone Power Limited Gupta Air Products Private Limited |

| Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN | Date & term of Appointment | No. of Equity Shares held & % of Shareholding (Pre-Issue)] | Other Directorships |
|---|--|--|---|
| Mr. Burhanuddin Ali Husain Maksiwala Father's Name: Mr. Ali Husain Age: 28 years Date of Birth: December 04, 1992 Designation: Independent Director Address: 1213, Nurani Nagar Bank, Village Bank, Tehsil Indore, District Indore, Madhya Pradesh-452002, India Experience: 5 Years Occupation: Practicing Company Secretary Qualification: Company Secretary Nationality: Indian DIN: 08326766 | Originally Appointed as Additional Independent Director w.e.f. November 05, 2020 Further, regularized as Independent Director w.e.f. November 11, 2020 <i>(Not liable to retire by rotation)</i> | NIL | Companies: 1. Flexi Fusion System Private Limited 2. Shri Sanwaria Commodities Private Limited |

Brief Profile of Directors:

Mr. Manish Kumar Dabkara is the Chairman, Managing Director & Promoter of our Company. He has obtained the degree of Master of Technology from the School of Energy and Environmental Studies, Indore in 2008 and Bachelor of Engineering in Electrical & Electronics from Oriental Institute of Science & Technology, Bhopal in June, 2006. He has a work experience of around 12 years in the field of Carbon credit generation, supply and offsetting, Carbon Asset Management, Business Development and Quality Management Training and Workshops. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He currently looks after the overall management and business development of the company. He is accredited as Principal Contractor for Quality Management Systems by National Board for Quality Promotion. He is also empaneled as Lean Manufacturing Consultant by Quality Council of India. He also holds provisional certificate issued by National Productivity Council as Certified Energy Manager by the Bureau of Energy Efficiency, Ministry of Power, Government of India.

Mr. Naveen Sharma is the Whole-time Director of our Company. He has completed his Master of Business Administration (Upstream Asset Management) from University of Petroleum and Energy Studies in the year 2009 and Bachelor of Engineering in Mechanical from Maharana Pratap College, Gwalior in 2006. He was appointed on the Board on November 27, 2015 and further designated as Whole Time Director of the Company w.e.f. November 05, 2020 for a period of 3 years. He has an experience of around 10 years in the field of Carbon credit generation, supply and offsetting, Carbon Asset Management and Business Development. He currently handles the overall development and management of the carbon credit trading business of the company.

Mrs. Sonali Sheikh is the Whole-time Director & Chief Financial Officer of our Company. She has completed her Master of Business Administration from Amity University, Uttar Pradesh in 2011. She was appointed on the Board on September 10, 2018 and further designated as Whole Time Director of the Company w.e.f. November 05, 2020 for a period of 3 years. She has an experience of around 9 years in the field of Tender Documentation, Tender Filing, Finance matters and HR activities. She looks after the ISO; Business Excellence Advisory and Electrical Safety Audits works of the company. She is also responsible for the overall accounting and financial management of the Company.

Mrs. Priyanka Dabkara (W/o of Manish Dabkara) is a Non-Executive Director of our Company. She has completed her Master of Computer Application from Maharaja Ranjit Singh College, Indore in June 2011 and Bachelor of Computer Application from Makhnallal Chaturvedi University, Bhopal in June 2008. She was appointed on the Board as Additional Non-Executive Director on December 10, 2019 and further regularizes as Non-Executive Director of the Company vide AGM dated November 11, 2020. She has around 10 years of experience in the field of Finance and Investment Planning.

Mr. Ritesh Gupta is the Independent Director of our Company. He holds degree of Company Secretary from the Institute of Company Secretary of India in year 1998 and has done his Bachelor of Law in year 1999 and Master of Business Administration in year 2012. He has an experience of around 20 years in the field of Corporate and Securities Law. He was appointed as Independent Director vide AGM held on November 11, 2020.

Mr. Burhanuddin Ali Husain Maksi Wala is the Independent Director of our Company. He holds degree of Company Secretary from the Institute of Company Secretary of India in year 2015. He has an experience of around 5 years in the field of Company Law. He was appointed as Independent Director vide AGM held on November 11, 2020.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

Family relationship between our Directors

Except for Mr. Manish Kumar Dabkara and Mrs. Priyanka Dabkara wife of Mr. Manish Kumar Dabkara none of the directors are related to each other.

Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

Details of Borrowing Powers of Directors

Our Company has passed a special resolution in the Annual General Meeting of the members held on November 11, 2020 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of 300.00 Crores (Rupees Three Hundred Crore Only).

Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director & Whole time Director

| Particulars | Mr. Manish Kumar Dabkara | Mr. Naveen Sharma | Mrs. Sonali Sheikh |
|-------------------------------------|---|---|---|
| Appointment/ Change in Designation | For details of Appointment and change in Designation, please refer table of Board of Directors in the chapter titled “ <i>Our Management</i> ” beginning on page no 125 of the Draft Red Herring Prospectus | For details of Appointment and change in Designation, please refer table of Board of Directors in the chapter titled “ <i>Our Management</i> ” beginning on page no 125 of the Draft Red Herring Prospectus | For details of Appointment and change in Designation, please refer table of Board of Directors in the chapter titled “ <i>Our Management</i> ” beginning on page no 125 of the Draft Red Herring Prospectus |
| Current Designation | Chairman and Managing Director | Whole-time Director | Whole-time Director |
| Term of Appointment | 5 years Not Liable to Retire by rotation | 3 years Liable to Retire by rotation | 3 years Liable to Retire by rotation |
| Remuneration & Perquisites | Rs.10.00 Lacs/- per month | Rs 4.17 lacs per month | Rs 1.25 lacs per month |
| Compensation paid in the FY 2019-20 | Rs 121.48 lacs | Rs 16.85 lacs | Rs 8.49 lacs |

Bonus or Profit-Sharing Plan for our Directors

We have no bonus or profit-sharing plan for our Directors.

Sitting Fees

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lac to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated November 28, 2020 for payment of an amount not exceeding Rs. 1.00 Lac as approved by the Board to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

Shareholding of our Directors as on the date of this Draft Red Herring Prospectus: -

| Sr. No. | Name of the Directors | No. of Shares Held | Holding in % |
|---------|---|--------------------|--------------|
| 1. | Mr. Manish Kumar Dabkara | 35,35,000 | 70.00% |
| 2. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | 2,92,900 | 5.80% |
| 3. | Mr. Naveen Sharma | 35,350 | 0.70% |
| 4. | Mrs. Sonali Sheikh | 35,350 | 0.70% |

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.

We do not have Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled “*Our Management*” beginning on page 125 of this Draft Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable

thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans or personal guarantee or guarantee of their personal property, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of the Company*” on page 182 and 144 respectively of this Draft Red Herring Prospectus.

Except as stated in this section “*Our Management*” or the section titled “*Financial information of the Company – Note Z - Related Party Transactions*” beginning on page 125, 144 and 173 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Interest in the property of Our Company

Except as mentioned hereunder, our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of Draft Red Herring Prospectus

| Sr. No | Name of Director | Address of Property | Interest and nature of interest |
|--------|--------------------------|---|---|
| 1 | Mr. Manish Kumar Dabkara | 201, Plot No. 48, Scheme No. 78, Part II, Vijay Nagar (Near Brilliant Convention Centre) Indore, Madhya Pradesh - 452010 Office No 102 and 301 Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India. | Our Company has obtained the approval vide No Objection Certificate dated December 05, 2020 to use the said property from its owners, being our Promoter, Mr. Manish Kumar Dabkara and our Promoter Group Member Mrs. Vidhya Dabkara. For further details of property please refer to Chapter titled “ <i>Our Business</i> ” beginning on page 98 |

Changes in Board of Directors in Last 3 Years

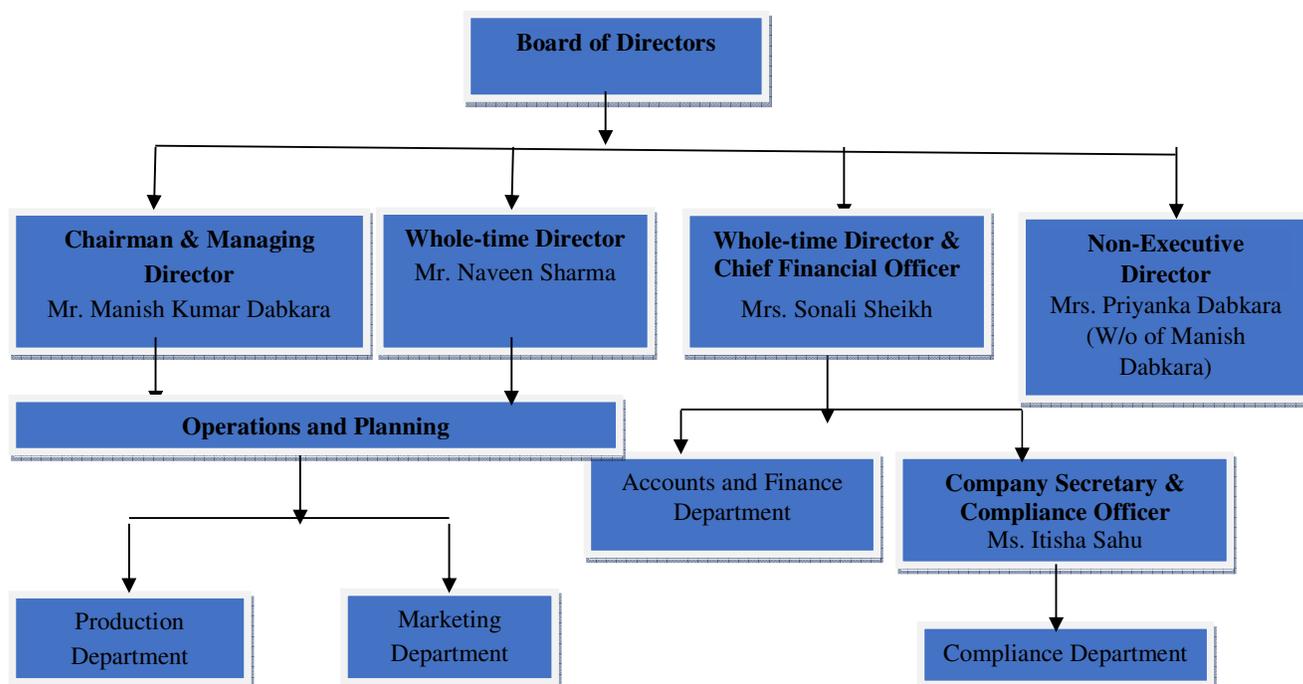
Except as mentioned hereunder, there is no change in Board of Directors of the Company in last 3 years: -

| Sr. No. | Name | Date of Appointment / Re - Appointment | Reasons for Change |
|---------|--|---|---|
| 1. | Mrs. Priyanka Dabkara (Sister of Manish Dabkara) | Cessation from the Post of Non-Executive Director w.e.f. June 05, 2018 | Due to Personal Reason |
| 2. | Mrs. Vidhya Dabkara | Cessation from the Post of Non-Executive Director w.e.f. September 10, 2018 | Due to Personal Reason |
| 3. | Mr. Manish Kumar Dabkara | Re-designated as Chairman & Managing Director w.e.f. February 12, 2019 | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| 4. | Mrs. Sonali Sheikh | Appointed as Additional Non-Executive Director w.e.f. September 10, 2018 and Further, Regularized as Non-Executive Director w.e.f. September 30, 2019 | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| 5. | Mrs. Priyanka Dabkara (W/o of Manish Dabkara) | Appointed as Additional Non-Executive Director w.e.f. December 10, 2019 and Regularized as Non-Executive Director in the AGM dated November 11, 2020 | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| 6. | Mrs. Sonali Sheikh | Re-designated as Whole time Director | To ensure better Corporate |

| | | | |
|----|---------------------------------------|--|---|
| | | w.e.f. November 05, 2020 | Governance and compliance with Companies Act, 2013 |
| 7. | Mr. Naveen Sharma | Re-designated as Whole time Director w.e.f. November 05, 2020 | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| 8. | Mr. Ritesh Gupta | Appointed as Additional Independent Director w.e.f. November 05, 2020 and regularized as Independent Director in the AGM dated November 11, 2020 | To ensure better Corporate Governance and compliance with Companies Act, 2013 |
| 9. | Mr. Burhanuddin Ali Husain Maksi Wala | Appointed as Additional Independent Director w.e.f. November 05, 2020 and regularized as Independent Director in the AGM dated November 11, 2020 | To ensure better Corporate Governance and compliance with Companies Act, 2013 |

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the BSE SME. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees and CSR Committee, as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which two (2) are Independent Directors, and we have two women directors on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated November 28, 2020 as per the applicable provisions of the Section 177 of the Companies Act, 2013. The constituted Audit Committee comprises following members:

| Name of the Directors | Status in Committee | Nature of Directorship |
|--|---------------------|------------------------------|
| Mr. Ritesh Gupta | Chairman | Independent Director |
| Mr. Burhanuddin Ali Husain Maksi Wala | Member | Independent Director |
| Mr. Manish Kumar Dabkara | Member | Chairman & Managing Director |

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
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;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
 - matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
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 or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the listed entity, 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 of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated November 28, 2020. The constituted Stakeholders Relationship Committee comprises the following:

| Name of the Directors | Status in Committee | Nature of Directorship |
|---|---------------------|------------------------|
| Mrs. Priyanka Dabkara (W/o of Manish Kumar Dabkara) | Chairperson | Non-Executive Director |
| Mr. Ritesh Gupta | Member | Independent Director |
| Mr. Naveen Sharma | Member | Whole-time Director |

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
 - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
 - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
 - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated November 28, 2020. The Nomination and Remuneration Committee comprise the following:

| Name of the Directors | Status in Committee | Nature of Directorship |
|---|---------------------|------------------------|
| Mr. Burhanuddin Ali Husain Maksi Wala | Chairman | Independent Director |
| Mr. Ritesh Gupta | Member | Independent Director |
| Mrs. Priyanka Dabkara (W/o of Manish Kumar Dabkara) | Member | Non-Executive Director |

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.; and
- To formulate and administer the Employee Stock Option Scheme.

4. Corporate Social Responsibility Committee

Our Company has formed the Corporate Social Responsibility Committee as per the applicable provisions of the Section 135 and Schedule VII of the Companies Act, 2013 vide Resolution dated November 28, 2020. The Corporate Social Responsibility Committee comprise the following:

| Name of the Directors | Status in Committee | Nature of Directorship |
|---|---------------------|------------------------------|
| Mr. Ritesh Gupta | Chairman | Independent Director |
| Mr. Manish Kumar Dabkara | Member | Chairman & Managing Director |
| Mrs. Priyanka Dabkara (W/o of Manish Kumar Dabkara) | Member | Non-Executive Director |

The Corporate Social Responsibility Committee of the Board of Directors so formed to undertake the below mentioned tasks: -

- To recommend the policy on Corporate Social Responsibility (CSR) and Implementation of the CSR Projects or program to be undertaken by the company as per the CSR Policy for consideration and approval by the Board of Directors.
- Recommend the amount of expenditure to be incurred on the corporate social responsibility activities; and
- Monitor the implementation of the Company's corporate social responsibility policy.

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

| Name, Designation & Educational Qualification | Age (Yrs) | Date of joining (current designation) | Compensation paid for F.Y. 19-20 (in Lacs) | Overall experience (in years) | Previous employment |
|--|-----------|---------------------------------------|--|-------------------------------|--|
| Mr. Manish Kumar Dabkara Designation: Chairman & Managing Director Educational Qualification – Master of Technology Term of Office: 5 years | 36 | February 12, 2019 | Rs 121.48 lacs | 12 years | Society for Enhancing Sustainability & Value of Organization |
| Mr. Naveen Sharma Designation: Whole-time Director Educational Qualification – Master of Business Administration Term of Office: 3 years | 36 | November 05, 2020 | Rs 16.85 lacs | 10 years | Sharma & Associates Fire Tech Pvt Ltd, Gwalior |
| Mrs. Sonali Sheikh Designation: Whole-time Director & CFO Educational Qualification – Master of Business Administration Term of Office: 3 years | 31 | November 05, 2020 | Rs 8.49 lacs | 9 years | Indian Institute of Management, Indore |
| Ms. Itisha Sahu Designation: Company Secretary and Compliance Officer Educational Qualification: Company Secretary | 25 | February 17, 2021 | - | 1 year and 8 months | Vippy Spinpro Limited |

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mr. Manish Kumar Dabkara- Please refer to section “*Brief Profile of our Directors*” beginning on page 127 of this Draft Red Herring Prospectus for details.

Mr. Naveen Sharma - Please refer to section “*Brief Profile of our Directors*” beginning on page 127 of this Draft Red Herring Prospectus for details

Mrs. Sonali Sheikh- Please refer to section “*Brief Profile of our Directors*” beginning on page 127 of this Draft Red Herring Prospectus for details

Ms. Itisha Sahu is the Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary and holds degree of Company Secretary from the Institute of Company Secretary of India in year 2019. She has an experience of 1 year and 8 months in secretarial field. She looks after the overall corporate governance and secretarial matters of our Company.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Manish Kumar Dabkara, Mr. Naveen Sharma and Mrs. Sonali Sheikh is a part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2020.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.

- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under: -

| Sr. No. | Name of the KMP | No. of Shares held |
|---------|--------------------------|--------------------|
| 1 | Mr. Manish Kumar Dabkara | 35,35,000 |
| 2 | Mr. Naveen Sharma | 35,350 |
| 3 | Mrs. Sonali Sheikh | 35,350 |

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance

Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

| Sr. No. | Name | Designation and period | Appointment/ Cessation/ Re-designation | Reasons |
|---------|--------------------------|--|--|---|
| 1 | Mr. Manish Kumar Dabkara | Chairman & Managing Director (w.e.f. February 12, 2019) | Re-designation | To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance |
| 2 | Mr. Naveen Sharma | Whole-time Director (w.e.f. November 05, 2020) | Re-designation | To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance |
| 3 | Mrs. Sonali Sheikh | Whole-time Director & CFO (w.e.f. November 05, 2020) | Re-designation | To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance |
| 4 | Ms. Babita Kumawat | Company Secretary (w.e.f. November 05, 2020) | Appointment | To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance |
| 5 | Ms. Babita Kumawat | Company Secretary (w.e.f. February 17, 2021) | Resignation | Due to Personal reason |
| 6 | Ms. Itisha Sahu | Company Secretary (w.e.f. February 17, 2021) | Appointment | To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance |

Interest of Our Key Managerial Persons

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "*Financial information of the Company – Note Z - Related Party Transactions*" beginning on page 173 of this Draft Red Herring Prospectus.

Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)

There is no relationship exist between the Directors and KMPs of the Company within the meaning of section 2 (77) of the Companies Act, 2013.

Interest in the property of our Company

Except as mentioned in the Chapter titled *“Our Management”* in the section *“Interest of our Directors-Interest in the properties of our Company”* on page 129 of this Draft Red Herring Prospectus, our KMPs do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Loans given/availed by Directors / Key Managerial Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to *“Note Z –Statement of Related Party Transaction”* page 173 of this Draft Red Herring Prospectus.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for our employees.

OUR PROMOTER & PROMOTER GROUP

Our Promoter:

Mr. Manish Kumar Dabkara is the Promoter of our Company. As on the date of this Draft Red Herring Prospectus, our Promoter holds 35,35,000 Equity shares of our Company. Our Promoter and Promoter Group will continue to hold the majority of the post-issue paid-up Equity Share Capital of our Company.

Brief Profile of our Promoter is as under:

| | | |
|--|---|--|
|  | Mr. Manish Kumar Dabkara – Chairman & Managing Director | |
| | Qualification | Master of Technology |
| | Age | 36 years |
| | Date of Birth | August 10, 1984 |
| | Address | Plot No. 48 Scheme 78 Part 2, Vijay Nagar, Near Brilliant Convention Centre, Indore-452010 |
| | Total Experience in business & employment | 12 Years |
| | Occupation | Business |
| | PAN No. | AMPPD4048N |
| | Driving License Number | MP09N-2010-0676098 |
| | Aadhar Card Number | 7567-6092-7322 |
| | No. of Equity Shares held in EESL & % of Shareholding (Pre Issue)] | 35,35,000 Equity Shares aggregating to 70.00 % of Pre Issue Paid up Share Capital |
| | Other Interests | <p>Directorship in other Companies:</p> <ol style="list-style-type: none"> 1. Glofix Advisory Services Private Limited 2. Carbon Neutral Europe OU* 3. Africa Advisory Services Limited* 4. Enking International Pty Ltd <p>LLPs:</p> <ol style="list-style-type: none"> 2. Enking International LLP <p>Proprietorship</p> <ol style="list-style-type: none"> 1. Enking International <p>HUFs:</p> <ol style="list-style-type: none"> 3. Manish Kumar Dabkara HUF 4. Jagannath Dabkara HUF |

* Carbon Neutral Europe OU incorporated in Estonia and Africa Advisory Services Limited incorporated in Kenya have applied for Liquidation in their respective countries of incorporation.

For brief biography of our Individual Promoter, please refer to Chapter titled “Our Management” beginning on page 125 of this Draft Red Herring Prospectus.

Confirmations/Declarations

In relation to our Promoter, Mr. Manish Kumar Dabkara, our Company confirms that the PAN, bank account number and passport number has been submitted to BSE Ltd at the time of filing of this Draft Red Herring Prospectus.

Interest of our Promoter

Interest in promotion of Our Company:

Our Promoter is interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Red Herring Prospectus, Our Promoter, Mr. Manish Kumar Dabkara holds 35,35,000 Equity Shares in our Company i.e. 70.00% of the pre issue paid up Equity Share Capital of our Company. Our Promoter may also be deemed to be interested to the extent of his remuneration, as per the terms of his appointment and reimbursement of expenses payable to him and unsecured loan given by him to our Company, if any. For details regarding the shareholding of our Promoter in our Company, please see “**Capital Structure**” on page 61 of this Draft Red Herring Prospectus

Interest in the property of Our Company:

Except as mentioned hereunder, our Promoter do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of Draft Red Herring Prospectus

| Sr. No | Name of Promoter | Address of Property | Interest and nature of interest |
|---------------|--------------------------|--|---|
| 1 | Mr. Manish Kumar Dabkara | 201, Plot No. 48, Scheme No. 78, Part II, Vijay Nagar(Near Brilliant Convention Centre) Indore, Madhya Pradesh - 452010 Office No 102 and 301 Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar (Near Brilliant Convention Centre) Indore -452010, Madhya Pradesh, India. | Our Company has obtained the approval vide No Objection Certificate dated December 05, 2020 to use the said property from its owners, being our Promoter, Mr. Manish Kumar Dabkara and our Promoter Group Member Mrs. Vidhya Dabkara on no rent basis, till the said NOC is withdrawn in writing. For further details of property please refer to Chapter titled “ Our Business ” beginning on page 98 |

In transactions for acquisition of land, construction of building and supply of machinery

None of our Promoter or directors are interested in any transaction for the acquisition of land, construction of building or supply of machinery.

Other Interests in our Company

For monetary transactions entered in past please refer Note Z on “**Related Party Transactions**” on page 173 forming part of “**Financial Information of the Company**” of this Draft Red Herring Prospectus.

Further, our promoter may be interested to the extent of personal guarantees given by him in favour of the Company, if any, for the details of Personal Guarantee given by Promoter towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” and “**Financial Information of Our Company**” on page 182 and 144 respectively of this Draft Red Herring Prospectus.

Payment or Benefits to our Promoter and Promoter Group during the last 2 years:

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph “**Compensation of our Managing Director**” in the chapter titled “**Our Management**” beginning on page 128 also refer Note Z on “**Related Party Transactions**” on page 165 forming part of “**Financial Information of the Company**” and Paragraph on “**Interest of Promoter**” in chapter titled “**Our Promoter and Promoter Group**” on page 139 of this Draft Red Herring Prospectus.

Companies/Firms with which our Promoter has disassociated in the last (3) three years

Except for Carbon Neutral Europe incorporated in Estonia and Africa Carbon Advisory Limited incorporated in Kenya which is in the process of liquidation in the respective countries, our promoter has not disassociated himself from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoter

Save and except as disclosed in this section titled “*Our Promoter & Promoter Group*” beginning on page 139 of this Draft Red Herring Prospectus, there are no other ventures, in which our Promoter has any business interests/ other interests.

Litigation details pertaining to our Promoter

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 193 of this Draft Red Herring Prospectus.

Experience of Promoter in the line of business

Our Promoter, Mr. Manish Kumar Dabkara has an experience of around 12 years in the field of Carbon credit generation, supply and offsetting, Carbon Asset Management, Business Development and Quality Management Training and Workshops

Related Party Transactions

For the transactions with our Promoter Group, please refer to section titled “*Note Z- Related Party Transactions*” on page 173 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter) are as follows:

| Relationship with Promoter | Mr. Manish Kumar Dabkara |
|-----------------------------------|---------------------------------|
| Father | Mr. Jagannath Dabkara |
| Mother | Mrs. Vidhya Dabkara |
| Spouse | Mrs. Priyanka Dabkara |
| Brother | - |
| Sister | Mrs. Priyanka Dabkara |
| Son | Master Krishiv Dabkara |
| Daughter | Ms. Prisha Dabkara |
| Spouse’s Father | Mr. Ishwarlal Dhanotiya |
| Spouse’s Mother | Mrs. Pushpa Dhanotiya |
| Spouse’s Brother | Mr. Maruti Nandan Dhanotiya |
| Spouse’s Sister | - |

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

| .No. | Nature of Relationship | Entity |
|-------------|--|--|
| 1 | Any Body corporate in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate | Companies: 1. Glofix Advisory Services Private Limited 2. Absolute Lean Services Private Limited 3. EVA Green Services Private Limited |

| | | |
|---|---|--|
| | relatives is a member | <ul style="list-style-type: none"> 4. Carbon Neutral Europe OU* 5. Africa Advisory Services Limited* 3. Enking International Pty Ltd |
| 2 | Any company in which a company mentioned in (1) above, holds 20% or more, of the equity share capital | - |
| 3 | Any HUF or firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than 20% of the total | <p>LLP:</p> <ul style="list-style-type: none"> 1. Enking International LLP <p>HUFs:</p> <ul style="list-style-type: none"> 1. Manish Kumar Dabkara HUF 2. Jagannath Dabkara HUF |

**Our Promoter Group Entities Carbon Neutral Europe incorporated in Estonia and Africa Advisory Services Limited incorporated in Kenya have applied for Liquidation in their respective countries of incorporation.*

Other persons included in Promoter Group:

Naveen Sharma, Sonali Sheikh and Shweta Porwal also forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018.

DIVIDEND POLICY

Under the Companies Act, a Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VI - FINANCIAL INFORMATION OF THE COMPANY

INDEPENDENT AUDITORS' REPORT
ON RESTATED FINANCIAL INFORMATION

To,

The Board of Directors,
EKI Energy Services Limited
201, Plot No. 48, Scheme No. 78, Part II
Vijay Nagar, Near Brilliant Convention Center,
Indore (M.P.) 452010

Dear Sirs,

1. We have examined the attached Restated Financial Statements of EKI Energy Services Limited, comprising the Restated Statement of Assets and Liabilities as at September 30, 2020, March 31, 2020, 2019 and 2018, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years/period ended September 30, 2020, March 31, 2020, 2019 and 2018, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 03.03.2021 for the purpose of inclusion in the Draft Offer document/ Offer document (“Draft Offer document/Offer document”) prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“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”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer document/Offer document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, M/s. D.N. Jhamb & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and holds the peer review certificate dated 19.12.2017 valid till 18.12.2022. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. 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 dated 24.11.2020 in connection with the proposed IPO of the Company;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the 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 IPO.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended 30th September 2020, 31st March 2020, 31st March 2019, and 31st March 2018 which has been approved by the Board of Directors. The financial statements of the Company for the year ended March 31, 2020 March 31, 2019 and March 31, 2018 have been audited by M/s. Anmol Bohra & Co., Chartered Accountants, and the financial statements of the Company for the period ended September 30, 2020 have been audited by us.
 6. For the purpose of our examination, we have relied on Auditors' reports issued by M/s. Anmol Bohra & Co., Chartered Accountants, dated 26.09.2020, 04.09.2019 & 29.05.2018, on the financial statements of the Company as at and for the year ended 31st March 2020, 31st March 2019 and 31st March 2018 respectively as referred in Paragraph 5 above;
 7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
 - a) after incorporating adjustments for the changes in accounting policies and regrouping / reclassifications retrospectively, if any in the financial years / period ended 30th September 2020, 31st March 2020, 31st March 2019, and 31st March 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
 - b) in accordance with the Act, ICDR Regulations and the Guidance Note.
 8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure IV, prepared by the management and approved by the Board of Directors on 03.03.2021 for the years/period ended 30th September 2020, 31st March 2020, 31st March 2019, and 31st March 2018.

Notes to the Restated Summary Financial Information

- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
- b) Restated Statement of Long-term Borrowings as appearing in Note B to this report;
- c) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(1) to this report;
- d) Statement of terms & conditions of unsecured loans as appearing In Note B(2) to this report;
- e) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
- f) Restated Statement of Long-term provisions as appearing in Note D to this report;
- g) Restated Statement of Short-term borrowings as appearing in Note E to this report;
- h) Restated Statement of Trade Payables as appearing in Note F to this report;
- i) Restated Statement of Other Current Liabilities as appearing in Note G to this report;
- j) Restated Statement of Short-term Provisions as appearing in Note H to this report;
- k) Restated Statement of Property, Plant & Equipment as appearing in Note I to this report;
- l) Restated Statement of Non-Current Investments as appearing in Note J to this report;
- m) Restated Statement of Long-term Loans & Advances as appearing in Note K to this report;
- n) Restated Statement of Other Non-Current Assets as appearing in Note L to this report;
- o) Restated Statement of Trade Receivables as appearing in Note M to this report;
- p) Restated Statement of Cash and Cash Equivalents as appearing in Note N to this report;
- q) Restated Statement of Current Investments as appearing in Note O to this report;

- r) Restated Statement of Short-term Loans & Advances as restated as appearing in Note P to this report;
 - s) Restated Statement of Other Current Assets as appearing in Note Q to this report;
 - t) Restated Statement of Revenue from Operations as appearing in Note R to this report;
 - u) Restated Statement of Other Income as appearing in Note S to this report;
 - v) Restated Statement of Purchases as appearing in Note T to this report;
 - w) Restated Statement of Employee Benefit Expenses as appearing in Note U to this report;
 - x) Restated Statement of Finance Cost as appearing in Note V to this report;
 - y) Restated Statement of Depreciation & Amortization as appearing in Note W to this report;
 - z) Restated Statement of Other Expenses as appearing in Note X to this report;
 - aa) Restated Statement of Contingent Liabilities as appearing in Note Y to this report;
 - bb) Restated Statement of Related Party Transactions as appearing in Note Z to this report;
 - cc) Restated Statement of Segment Reporting as appearing in Note AA to this report;
 - dd) Restated Statement of Tax Shelter as appearing in Note BB to this report;
 - ee) Capitalization Statement as appearing in Note CC to this report;
 - ff) Restated Statement of Mandatory Accounting Ratios as appearing in Note DD to this report;
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 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 Board of Directors for inclusion in the Draft Offer document/ Offer document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
 13. In our opinion, the above financial information contained in Annexure I to Annexure III of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

For M/s D.N. JHAMB AND COMPANY

Chartered Accountants

FRN: 0019675C

DEVKI NANDAN JHAMB

Partner

M. No. 079696

Place : Indore

Date : 03.03.2021

UDIN : 21079696AAAACZ7007

ANNEXURE – I

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

| PARTICULARS | | NOTES | As at the Year/Period ended | | | |
|-------------|--------------------------------|----------|-----------------------------|-----------------|---------------|---------------|
| | | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| A) | EQUITY AND LIABILITIES | | | | | |
| | | | | | | |
| 1. | Shareholders' Funds | | | | | |
| (a) | Share Capital | A | 5.00 | 5.00 | 5.00 | 5.00 |
| (b) | Reserves & Surplus | A | 1,145.59 | 607.02 | 159.57 | 91.53 |
| | | | 1,150.59 | 612.02 | 164.57 | 96.53 |
| 2. | Non Current Liabilities | | | | | |
| (a) | Long Term Borrowings | B | 82.76 | 91.04 | - | 35.67 |
| (b) | Deferred Tax Liabilities (Net) | C | - | 1.24 | - | - |
| (c) | Long Term Provisions | D | 14.80 | 6.88 | 6.61 | 6.61 |
| | | | 97.56 | 99.16 | 6.61 | 42.28 |
| 3. | Current Liabilities | | | | | |
| (a) | Short Term Borrowings | E | 0.79 | 1.89 | 127.42 | 97.86 |
| (b) | Trade Payables | F | 868.00 | 720.35 | 86.18 | 26.35 |
| (c) | Other Current Liabilities | G | 13.83 | 12.98 | 0.00 | 0.82 |
| (d) | Short Term Provisions | H | 55.41 | 163.28 | 27.53 | 12.76 |
| | | | 938.03 | 898.50 | 241.13 | 137.79 |
| | | | | | | |
| | Total | | 2,186.19 | 1,609.68 | 412.31 | 276.60 |
| B) | ASSETS | | | | | |
| 1. | Non-Current Assets | | | | | |
| (a) | Property, Plant & Equipment | I | | | | |
| | I) Tangible Assets | | | | | |
| | (i) Gross Block | | 173.41 | 164.76 | 24.05 | 17.26 |
| | (ii) Depreciation | | 48.74 | 29.50 | 10.18 | 5.32 |
| | (iii) Net Block | | 124.67 | 135.25 | 13.87 | 11.94 |
| (b) | Non-Current Investments | J | 304.81 | 295.96 | - | - |
| (c) | Deferred Tax Assets (Net) | C | 1.03 | - | 2.22 | 2.16 |
| (d) | Long-Term Loans & Advances | K | 8.60 | - | - | - |
| (e) | Other Non-Current Assets | L | 29.36 | 21.51 | 14.39 | 20.04 |
| | | | 468.47 | 452.72 | 30.48 | 34.14 |
| 2. | Current Assets | | | | | |
| (a) | Trade Receivables | M | 584.56 | 430.01 | 246.95 | 169.98 |
| (b) | Cash and Cash equivalents | N | 328.29 | 191.97 | 63.19 | 47.50 |
| (c) | Current Investments | O | 638.91 | 8.95 | 0.11 | - |
| (d) | Short-Term Loans and Advances | P | 57.57 | 139.17 | 0.63 | - |
| (e) | Other Current Assets | Q | 108.39 | 386.86 | 70.95 | 24.98 |
| | | | 1,717.72 | 1,156.96 | 381.83 | 242.46 |
| | | | | | | |
| | Total | | 2,186.19 | 1,609.68 | 412.31 | 276.60 |

ANNEXURE- II

RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

| PARTICULARS | | Annexure | For the Year/ period ended | | | |
|-------------|---|----------|----------------------------|-----------------|-----------------|---------------|
| | | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| 1 | Revenue From Operations | R | 5,990.33 | 6,590.44 | 1,975.57 | 698.68 |
| 2 | Other Income | S | 6.01 | 11.46 | 12.56 | 2.33 |
| | Total Revenue (1+2) | | 5,996.34 | 6,601.90 | 1,988.13 | 701.01 |
| 3 | Expenditure | | | | | |
| (a) | Purchases & Operating Expenses | T | 4,724.32 | 5,310.38 | 1,591.10 | 489.67 |
| (b) | Employee Benefit Expenses | U | 306.58 | 451.29 | 153.25 | 74.42 |
| (c) | Finance Cost | V | 17.95 | 8.94 | 7.76 | 24.65 |
| (d) | Depreciation and Amortisation Expenses | W | 19.24 | 19.82 | 4.87 | 5.32 |
| (e) | Other Expenses | X | 208.52 | 217.27 | 139.50 | 71.13 |
| 4 | Total Expenditure 3(a) to 3(f) | | 5,276.62 | 6,007.71 | 1,896.49 | 665.20 |
| 5 | Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4) | | 719.72 | 594.19 | 91.64 | 35.81 |
| 6 | Exceptional item | | - | - | - | - |
| 7 | Profit/(Loss) Before Tax (5-6) | | 719.72 | 594.19 | 91.64 | 35.81 |
| 8 | Tax Expense: | | | | | |
| (a) | Tax Expense for Current Year | | 183.41 | 143.28 | 23.67 | 10.96 |
| (b) | Deferred Tax | | (2.27) | 3.47 | (0.07) | (2.07) |
| | Net Current Tax Expenses | | 181.14 | 146.74 | 23.60 | 8.90 |
| 9 | Profit/(Loss) for the Year (5-6) | | 538.58 | 447.45 | 68.04 | 26.91 |
| 10 | Earning per Equity Share | | | | | |
| | (Nominal Value of Share Rs. 10 each) | | | | | |
| (a) | Basic EPS (Rs. Per Share) | | 10.66 | 8.86 | 1.35 | 0.53 |
| (b) | Diluted EPS (Rs. Per Share) | | 10.66 | 8.86 | 1.35 | 0.53 |

ANNEXURE III
RESTATED CASH FLOW STATEMENT

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED | | | |
|--|--------------------|-----------------|-----------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 719.72 | 594.19 | 91.64 | 35.81 |
| Adjustment for : | | | | |
| Depreciation and amortization | 19.24 | 19.82 | 4.87 | 5.32 |
| Interest Paid | 17.95 | 8.94 | 7.76 | 24.65 |
| Prior Period Adjustments in General Reserves | | - | - | (0.03) |
| Other Non-Operating Income | (6.01) | (11.46) | (12.56) | (2.33) |
| Operating profit before working capital changes | 750.90 | 611.49 | 91.71 | 63.42 |
| Changes in Working Capital | | | | |
| Decrease / (Increase) in Trade Receivables | (154.55) | (183.06) | (76.97) | (28.37) |
| Decrease / (Increase) in Short-Term Loans & Advances | 81.60 | (138.54) | (0.63) | - |
| Decrease / (Increase) in Other Current Assets | 278.47 | (315.91) | (45.97) | (6.39) |
| Increase / (Decrease) in Long-Term Provisions | 7.92 | 0.27 | - | 6.61 |
| Increase / (Decrease) in Trade Payables | 147.65 | 634.17 | 59.83 | 20.99 |
| Increase / (Decrease) in Short-Term Provisions | (107.87) | 135.75 | 14.77 | 3.79 |
| Increase / (Decrease) in Other Current Liabilities | 0.85 | 12.98 | (0.82) | - |
| Cash generated from operations | 1,004.97 | 757.15 | 41.92 | 60.05 |
| Less:- Income Taxes paid | 183.42 | 143.28 | 23.67 | 10.97 |
| Net cash flow from operating activities | A | 821.55 | 613.87 | 18.25 |
| B) Cash Flow From Investing Activities : | | | | |
| Sale of Tangible Assets | - | 0.07 | - | - |
| Purchase of Tangible Assets | (8.65) | (141.28) | (6.79) | (6.03) |
| Decrease / (Increase) in Non-Current Investment | (8.85) | (295.96) | - | - |
| Decrease / (Increase) in Current Investment | (629.96) | (8.84) | (0.11) | - |
| Decrease / (Increase) in Other Non-Current Assets | (7.85) | (7.12) | 5.65 | 51.57 |
| Other non-Operating Income | 6.01 | 11.46 | 12.56 | 2.32 |
| Net cash flow from investing activities | B | (649.31) | (441.67) | 11.31 |
| C) Cash Flow From Financing Activities : | | | | |
| Interest Expense on Borrowing | (17.95) | (8.94) | (7.76) | (24.65) |
| Increase / (Decrease) in Long-Term Borrowings | (8.28) | 91.04 | (35.67) | (110.85) |
| Increase / (Decrease) in Short-Term Borrowings | (1.10) | (125.53) | 29.56 | 79.99 |
| Increase / (Decrease) in Long-Term Loans & Advances | (8.60) | - | - | - |

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Net cash flow from financing activities | C | (35.93) | (43.43) | (13.87) | (55.51) |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (A+B+C) | 136.33 | 128.78 | 15.68 | 41.42 |
| Cash equivalents at the beginning of the year | | 191.97 | 63.19 | 47.50 | 6.08 |
| Cash equivalents at the end of the year | | 328.29 | 191.97 | 63.19 | 47.50 |

Notes:-

| 1. | | 30-06-20 | 31-03-20 | 31-03-19 | 31-03-18 |
|----|--|-----------------|-----------------|-----------------|-----------------|
| | Component of Cash and Cash equivalents | | | | |
| | Cash on hand | 5.79 | 5.84 | 5.67 | 3.75 |
| | Balance With banks | 322.50 | 174.11 | 57.52 | 43.75 |
| | Other Bank Balance | - | 12.02 | - | - |
| | Total | 328.29 | 191.97 | 63.19 | 47.50 |
| 2. | Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. | | | | |
| 3. | The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement. | | | | |

ANNEXURE – IV

SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED SUMMARY STATEMENTS

COMPANY OVERVIEW

EKI Energy Services Limited (“the company”) was incorporated on 03rd May 2011, under the provisions of the Companies Act, 1956 with the Registrar of Companies- Gwalior. The Company has its registered office at 201, Plot No. 48, Scheme No. 78, Part II, Vijay Nagar, Near Brilliant Convention Center, Indore (M.P.) 452010. The Company is engaged in carbon credits trading, climate change advisory services, business excellence advisory & training services and electrical safety audits.

I. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Restated Summary Statement of Assets and Liabilities of the Company as on 30 September 2020, 31 March 2020, 31 March 2019 and 31 March 2018 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the period ended on 30 September 2020, 31 March 2020, 31 March 2019 and 31 March 2018.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B) USE OF ESTIMATES

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although, these estimates are based upon management’s best knowledge of current event and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C) ACCOUNTING CONVENTION

The company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles. In case of bank guarantee charges, amount paid during the year has been recognized as expense and amount of such charges paid, pertaining to future period have not been booked as a prepaid expense.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

1) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Sale

Revenue is recognized when the significant risks and rewards of ownership of the products have been passed to the buyer. Sales are disclosed net of indirect taxes, trade discounts and returns, as applicable.

Income from services

Revenue from service contract is recognized as per the terms of contracts with the customers, as the service is performed, when the final act takes place, the service becomes chargeable, and there is no uncertainty regarding consideration and its ultimate collection. Period based services are accrued and recognized pro-rata over the contractual period.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2) PROPERTY, PLANT & EQUIPMENT

- a) Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets, if any.
- b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred.
- c) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.
- d) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Intangible assets are amortized over their estimated useful life prescribed in schedule II to the Companies Act 2013 on straight line method.
- e) The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3) IMPAIRMENT

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4) INVENTORIES

The Company does not maintain any Inventory due to the nature of business operations it is involved in.

5) RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS

Short term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit & loss for the year in which related service is rendered.

Long term employee benefits

The eligible employees of the company are entitled to receive post-employment benefits in respect of gratuity in accordance with Payment of Gratuity Act, 1972. The company has made provision for the same in the restated financial statements for the period / years ended on 30 September 2020, 31 March 2020, 31 March 2019 and 31 March 2018 on the basis of actuarial valuation of liability. However, the requirements of AS-15, Accounting for Employee Benefits, of either setting up a fund for the same or contributing to an outside fund has not been complied with.

6) FOREIGN EXCHANGE TRANSACTIONS

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase & sale of current assets are included in the Statement of Profit and Loss, however the gains or losses if any resulting from purchase of Fixed Assets are reduced or added to the cost of the relevant fixed assets as the case may be. Revenue, expense, and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

7) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities are segregated.

8) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

9) INCOME TAX

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax.

Current Tax

Provision for current tax is made for income tax liability estimated to arise based on the results for the year at current rate of tax in accordance with the Income Tax Act, 1961.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carry

forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are adjusted to reflect the amount that is reasonably certain or virtually certain (as the case may be) to be realized.

10) EARNINGS PER SHARE

Basic earnings per share is computed in accordance with AS 20 "Earning Per Share", by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. In case of Bonus Issue, number of equity share outstanding is adjusted for proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

11) PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

12) CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

13) SEGMENT REPORTING

Segment Reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountants of India, as prescribed under section 133 of the Companies Act, 2013 ("the 2013 Act"), read with rule 7 of the Companies' (Accounts) Rules 2014 have been provided in the Note-AA of the enclosed restated financial statements.

14) EMPLOYEE BENEFITS

Short term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit & loss for the year in which related service is rendered.

Long term employee benefits

The eligible employees of the company are entitled to receive post-employment benefits in respect of gratuity in accordance with Payment of Gratuity Act, 1972. The company has made provision for the same in the restated financial statements for the period / years ended on 30 September 2020, 31 March 2020, 31 March 2019, and 31 March 2018 on the basis of actuarial valuation of liability. However, the

requirements of AS-15, Accounting for Employee Benefits, of either setting up a fund for the same or contributing to an outside fund has not been complied with.

II. NOTES TO RESTATED SUMMARY STATEMENTS

The restated financial statements for the year ended on 30 September 2020, 31 March 2020, 31 March 2019, and 31 March 2018 are prepared in accordance with the requirements of Schedule III of the Companies Act, 2013.

1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is also made in the notes to restated financial restatements (Note – Y) when there is a possible obligation that may, require an outflow of the Company's resources.

2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

In the absence of information regarding outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, 2006 the Company has not disclosed the same.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note-Z of the enclosed financial statements.

4. Deferred Tax liability / Asset in view of Accounting Standard – 22, Accounting for Taxes on Income, as at the end of the year is reported in the Note-C of the enclosed financial statements.

5. Directors' Remuneration & Other Payments:

(Rs. in lacs)

| Particulars | During the year / period ended | | | |
|------------------|--------------------------------|---------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Remuneration | 92.28 | 164.82 | 45.10 | 24.38 |
| Interest Paid | - | - | 1.22 | 4.12 |
| Professional Fee | - | - | - | 1.75 |
| Total | 92.28 | 164.82 | 46.32 | 30.25 |

5a. Managerial Remuneration:

Detail of payment and provisions on account of remuneration to managerial personnel are as under:

(Rs. in lacs)

| Particulars | During the year / period ended | | | |
|----------------------|--------------------------------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Manish Kumar Dabkara | 60.00 | 121.48 | 11.57 | 7.02 |
| Naveen Sharma | 18.35 | 16.85 | 18.37 | 9.86 |
| Sonali Sheikh | 4.93 | 8.49 | 10.36 | 5.05 |
| Priyanka Dabkara | 9.00 | 18.00 | 4.80 | 2.45 |

6. Auditors' Remuneration:

Disclosure pursuant to Note no. 5(i)(j) of Part II of Schedule III to the Companies Act, 2013

(Rs. in lacs)

| Particulars | During the year / period ended | | | |
|----------------------|--------------------------------|-------------|-------------|-------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Payment to Auditors: | | | | |
| For Statutory Audit | 0.20 | 0.28 | 0.25 | 0.25 |
| For Tax Audit Fees | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.20 | 0.28 | 0.25 | 0.25 |

7. Earnings Per Share

(Amt. Rs. in Lacs, except EPS)

| Particulars | During the year / period ended | | | |
|---|--------------------------------|----------|----------|----------|
| | 30-06-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| A. Number of Shares at the beginning of the year (in lacs) | 0.50 | 0.50 | 0.50 | 0.50 |
| B. Shares issued during the year | 0.00 | 0.00 | 0.00 | 0.00 |
| C. Total Number of equity shares outstanding at the end of the year (in lacs) | 0.50 | 0.50 | 0.50 | 0.50 |
| D. Bonus Issue subsequent to the reporting date (in lacs) | 50.00 | 50.00 | 50.00 | 50.00 |
| E. Adjusted Total Number of equity shares outstanding at the end of the year (in lacs) | 50.50 | 50.50 | 50.50 | 50.50 |
| F. Adjusted Weighted average number of equity shares outstanding during the year (in lacs) | 50.50 | 50.50 | 50.50 | 50.50 |
| G. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated) | 538.58 | 447.45 | 68.04 | 26.91 |
| H. Basic earnings per share (Rs.) (G/F) | 10.66 | 8.86 | 1.35 | 0.53 |
| I. Diluted earnings per share (Rs.) (G/F) | 10.66 | 8.86 | 1.35 | 0.53 |

Note: The Company has issued 50 Lakhs Bonus shares on 28.11.2020. As per AS 20 "Earning Per Share" the number of equity share outstanding before the bonus issue has to be adjusted for proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. Hence, Basic & Diluted EPS has been calculated on Adjusted Weighted Number of Equity Shares.

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.
9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

11. Employee benefits

The company has made provision for gratuity in accordance with Payment of Gratuity Act, 1972 in the restated financial statements for the period / years ended on 30 September 2020, 31 March 2020, 31 March 2019, and 31 March 2018 on the basis of actuarial valuation of liability. However, the requirements of AS-15, Accounting for Employee Benefits, of either setting up a fund for the same or contributing to an outside fund has not been complied with. Further, amount payable to employees on account of leave encashment has not been provided for in the financial statements.

12. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

14. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

15. Foreign Currency Earnings and Expenditure

Details of Earnings in Foreign currency:

| Particulars | During the year / period ended | | | |
|---|--------------------------------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Sale of Products & Services (Amount in Rs. Lacs) | 5819.41 | 6136.96 | 1813.70 | 564.53 |

Details of Expenditures in Foreign currency:

| Particulars | During the year / period ended | | | |
|---|--------------------------------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Purchase of Products & Services (Amount in Rs. Lacs) | 2945.15 | 2216.38 | 862.23 | 257.65 |

16. Impact of Audit Qualifications/Observations in Statutory Auditor's Report

Statutory Auditors' have not issued any Qualification / Observation in their Statutory Auditors' Report on the Audited Financial Statements of the Company for any of the reporting period.

17. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities, and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule III to the Companies Act, 2013 and applicable Accounting Standards.

Statement of Adjustments in the financial statements:

(Rs. in lacs)

| Adjustments | for the year / period ended | | | |
|--|-----------------------------|---------------|--------------|---------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 531.70 | 451.26 | 68.04 | 31.70 |
| (Short)/Excess Provision for Deferred Tax Assets | - | (3.54) | - | 1.82 |
| (Short)/Excess Provision for Income Tax | - | - | - | - |
| (Short)/Excess Provision of Gratuity | - | (0.27) | - | (6.61) |
| Prior period expenses already adjusted in Restated Accounts | 6.88 | - | - | - |
| Net Adjustment in Profit and Loss Account | 6.88 | (3.81) | - | (4.79) |
| Net Profit After Tax as per Restated Accounts | 538.58 | 447.45 | 68.04 | 26.91 |

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:

A. Equity Share Capital

(In Rs. Lakhs)

| Particulars | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
|--|-------------|-------------|-------------|-------------|
| Paid Up Equity Share Capital (Audited) | 5.00 | 5.00 | 5.00 | 5.00 |
| Changes During Restatement | 0.00 | 0.00 | 0.00 | 0.00 |
| Paid Up Equity Share Capital (Restated) | 5.00 | 5.00 | 5.00 | 5.00 |

B. General Reserves

(In Rs. Lakhs)

| Particulars | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
|--|----------------|---------------|---------------|----------------|
| General Reserves (Audited) | 1147.33 | 615.63 | 164.37 | 171.32 |
| Net Incremental/ Decremental Adjustment in Profit and Loss Account as mentioned below | (1.73) | (8.61) | (4.80) | (79.79) |
| Adjustment for Deferred Tax Liability/Assets | - | (3.54) | - | 1.82 |
| Adjustment for Current Tax Provision | - | - | - | - |
| Adjustment for Gratuity | - | (0.27) | - | (6.61) |
| Adjustment for Prior period items | 6.88 | - | - | - |
| Adjustment for Goodwill | - | - | 75.00 | (75.00) |
| General Reserves (Restated) | 1145.59 | 607.02 | 159.57 | 91.53 |

NOTES ON ADJUSTMENTS

1. Adjustment of Deferred Tax Provision

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being gratuity, restated closing WDV's as per books and as per income tax act.

2. Adjustment for Gratuity & Prior Period Item

Adjustment of Gratuity & Prior Period Item is on account of provision for gratuity made in restated accounts for 2017-18, 2018-19 & 2019-20. Prior Period Item in the Audited accounts for the period ending on 30th September 2020 includes the provision of gratuity pertaining to prior years.

3. Adjustment for Goodwill

Self-generated goodwill was accounted for in period prior to reporting period in Audited accounts. It has been adjusted from opening general reserves in Restated Accounts. Rectification made in Audited accounts for the same in financial year 2018-19 has consequently been ignored in Restated accounts.

III. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies adopted by the Company.

NOTE – A

RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(Amt. in Rs. Lakhs, Except Share Data)

| Particulars | As At | | | |
|---|-------------|-------------|-------------|-------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Share Capital | | | | |
| Authorised Share Capital | | | | |
| Equity shares of Rs.10 each | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 |
| Equity Share Capital (in Rs. Lakhs) | 5.00 | 5.00 | 5.00 | 5.00 |
| Issued, Subscribed and Paid up Share Capital | | | | |
| Equity Shares of Rs. 10 each fully paid up | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 |
| Equity Share Capital (in Rs. Lakhs) | 5.00 | 5.00 | 5.00 | 5.00 |
| Total | 5.00 | 5.00 | 5.00 | 5.00 |

Reserves and Surplus

| | | | | |
|--|-----------------|---------------|---------------|--------------|
| General Reserves | | | | |
| Balance as per the last financial statements | 607.02 | 159.57 | 91.53 | 64.65 |
| Add: Surplus transferred to reserves during the year | 538.58 | 447.45 | 68.04 | 26.91 |
| Less: Adjustments for F.Y. 2017-18 | - | - | - | (0.03) |
| Balance as at the end of Financial Year | 1,145.59 | 607.02 | 159.57 | 91.53 |
| Surplus in Profit and Loss account | | | | |
| Balance as per the last financial statements | - | - | - | - |
| Profit for the Year | 538.58 | 447.45 | 68.04 | 26.91 |
| Less: Transfer to reserves during the year | (538.58) | (447.45) | (68.04) | (26.91) |
| Balance as at the end of Financial Year | - | - | - | - |

1. Terms/rights attached to equity shares:

i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share

ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The reconciliation of the number of Equity shares outstanding as at: -

| Particulars | As At | | | |
|-----------------------------------|----------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Number of shares at the beginning | 50,000 | 50,000 | 50,000 | 50,000 |
| Add: Bonus Share Issued | - | - | - | - |
| Add: Fresh Issue of shares | - | - | - | - |
| Number of shares at the end | 50,000 | 50,000 | 50,000 | 50,000 |

5. The detail of shareholders holding more than 5% of Shares: -

| Name of Shareholders | As At | | | |
|-----------------------|----------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Mr. Manish Dabkara | 35,000 | 35,000 | 35,000 | 35,000 |
| Mrs. Vidhaya Dabkara | 10,000 | 10,000 | 10,000 | 10,000 |
| Mrs. Priyanka Dabkara | 2,900 | 2,900 | 2,900 | 2,900 |

NOTE – B

RESTATED STATEMENT OF LONG TERM BORROWINGS

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|--------------|--------------|----------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| (Secured) | | | | |
| (a) Term loans from other than banks | | | | |
| BMW India Financial Services Pvt Ltd | 37.97 | 41.67 | - | - |
| Daimler Financial Services India Pvt Ltd | 44.79 | 49.37 | - | - |
| Sub-total (a) | 82.76 | 91.04 | - | - |
| (Unsecured) | | | | |
| (c) Loans and advances from related parties | | | | |
| From Directors | - | - | - | 35.67 |
| Sub-total (c) | - | - | - | 35.67 |
| Total (a+b+c) | 82.76 | 91.04 | - | 35.67 |

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B(A) and NOTE B(B)

NOTE B(1) RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. In Lakhs)

| Name of Lender | Purpose | Sanctioned Amount (In Lacs) | Rate of interest | Primary Security | Re-Payment Schedule | Outstanding amount as on 30.09.2020 as per Books (In Lakhs) | Outstanding amount as on 31.03.2020 as per Books (In Lakhs) | Outstanding amount as on 31.03.2019 as per Books (In Lakhs) | Outstanding amount as on 31.03.2018 as per Books (In Lakhs) |
|--|----------|-----------------------------|-------------------|--------------------------------|---|---|---|---|---|
| BMW India Financial Services Pvt Ltd | Car Loan | 49.31 | 9.85 % Per Annum | Hypothecation of Motor Vehicle | 36 Equated monthly installments of Rs. 85,418 /- & Final Installment of Rs. 31.43 Lakhs | 44.16 | 47.49 | - | - |
| Daimler Financial Services India Pvt Ltd | Car Loan | 59.30 | 10.75 % per Annum | Hypothecation of Motor Vehicle | 35 Equated monthly installments of Rs. 1,07,585 /- & Final installment of Rs. 37.36 Lakhs | 52.43 | 56.53 | - | - |
| TOTAL | | | | | | 96.59 | 104.02 | - | - |

Note 1:

Collateral Security: Nil
Personal Guarantee: Nil

NOTE B(2) STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

(Amt. Rs. in Lacs)

| Name of Lender | Purpose | Rate of Interest | Re-Payment Schedule | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
|------------------------------------|---------------|------------------|-----------------------------------|----------|----------|----------|--------------|
| From Financial Institutions | | | | | | | |
| - | | | | | | | |
| TOTAL | | | | - | - | - | - |
| From Directors | | | | | | | |
| Manish Dabkara | Business Loan | 8% per Annum | Terms of Repayment not stipulated | - | - | - | 35.67 |
| TOTAL | | | | - | - | - | 35.67 |
| | | | | | | | |
| GRAND TOTAL | | | | - | - | - | 35.67 |

NOTE - C

RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt. Rs. in Lacs)

| Particulars | As At | | | |
|--|---------------|-------------|---------------|---------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Opening Balance (A) | | | | |
| Opening Balance of Deferred Tax (Asset) / Liability | 1.24 | (2.22) | (2.16) | (0.09) |
| Closing Balances (B) | | | | |
| Adjustment on account of | | | | |
| Timing Difference in Depreciation as per Companies Act and Income Tax Act. | (2.27) | 3.55 | (0.07) | (0.35) |
| Gratuity Disallowed | - | (0.08) | - | (1.72) |
| Closing Balance of Deferred Tax (Asset) / Liability (B) | (1.03) | 1.24 | (2.22) | (2.16) |
| | | | | |
| Current Year Provision (B-A) | (2.27) | 3.47 | (0.07) | (2.07) |

Note: Under section 43B(b) of Income Tax Act, 1961 a deduction otherwise allowable under this Act in respect of any sum payable by the assessee as an employer by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees, shall be allowed only in computing the income referred to in section 28 of that previous year in which such sum is actually paid by him. Provision made for gratuity for the period beginning from 01.04.2020 to 30.09.2020 has not been disallowed in computation of current tax & deferred tax, as the time limit to make such payment is not overdue.

NOTE: D

RESTATED STATEMENT OF LONG TERM PROVISION

(Amt. Rs. in Lacs)

| Particulars | As At | | | |
|-----------------------------------|--------------|-------------|-------------|-------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Long-Term Provisions | | | | |
| (Provision for Employee Benefits) | | | | |
| Provision for Gratuity | 14.80 | 6.88 | 6.61 | 6.61 |
| Total | 14.80 | 6.88 | 6.61 | 6.61 |

NOTE – E

RESTATED STATEMENT OF SHORT TERM BORROWINGS

(Rs. in Lakhs)

| Particulars | As At | | | |
|---------------------------------------|-------------|-------------|---------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Loan Repayable on Demand | | | | |
| (a) From Banks | | | | |
| (Secured) | | | | |
| Overdraft Limit from Yes Bank Limited | - | - | 126.91 | 97.86 |
| (Unsecured) | | | | |
| Corporate Credit Cards | 0.79 | 1.89 | 0.51 | - |
| Sub total (a) | 0.79 | 1.89 | 127.42 | 97.86 |
| (b) Loan from Others | - | - | - | - |
| Sub total (b) | - | - | - | - |
| Total (a+b) | 0.79 | 1.89 | 127.42 | 97.86 |

Note :

Details in Respect of OD Limit from Yes Bank Limited

| Particulars | Details |
|--------------------|--|
| Rate of Interest | Floating rate of Interest - 0.25% Margin over & above banks six month MCLR. MCLR reset in every 6 months. |
| Nature of Security | 1. Exclusive charge by way of hypothecation on current assets & movable fixed assets, both present & past 2. Equitable mortgage of property located at: 2.1 Plot No. 48, Scheme No. 78, Part 2, Near Brilliant Convention Center, Vijay Nagar, Indore (M.P.) 2.2 Flat No. 401, Dakshta Apartment, 4th Floor, House No. 57, Godbole Coloney, Annapurna Road, Indore (M.P.) |

Guarantee by Directors

Full Amount due. secured by unconditional irrevocable personal guarantee of Mr. Manish Dabkara, Mr. Naveen Sharma, Ms. Priyanka Dabkara & Smt. Vidhya Dabkara during the tenure of the facility.

NOTE – F

RESTATED STATEMENT OF TRADE PAYABLES

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|---------------|---------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Trade Payables | | | | |
| For Goods & Services | | | | |
| Micro, Small and Medium Enterprises | - | - | - | - |
| Other than Micro, Small and Medium Enterprises | 868.00 | 720.35 | 86.18 | 26.35 |
| For Assets | | | | |
| Micro, Small and Medium Enterprises | - | - | - | - |
| Other than Micro, Small and Medium Enterprises | - | - | - | - |
| For Expenses | | | | |
| Micro, Small and Medium Enterprises | - | - | - | - |
| Other than Micro, Small and Medium Enterprises | - | - | - | - |
| Total | 868.00 | 720.35 | 86.18 | 26.35 |

Notes:

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, 2006 the Company has not disclosed the same.

NOTE – G

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|--------------|--------------|-------------|-------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Other Current Liabilities | | | | |
| Current Maturity of Long Term Loans | | | | |
| (Secured Loan) | | | | |
| BMW India Financial Services Pvt Ltd | 6.19 | 5.82 | - | - |
| Daimler Financial Services India Pvt Ltd | 7.64 | 7.16 | - | - |
| (Unsecured Loan) | | | | |
| Standard Chartered Bank | - | - | - | 0.82 |
| Unclaimed Dividend | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 13.83 | 12.98 | 0.00 | 0.82 |

NOTE – H

RESTATED STATEMENT OF SHORT TERM PROVISIONS

(Rs. in Lakhs)

| Particulars | As At | | | |
|---|--------------|---------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Provisions for employee benefits | | | | |
| Staff Liabilities | 32.98 | 6.25 | - | - |
| E.S.I.C. Payable | 0.12 | 0.12 | 0.11 | 0.05 |
| Provident Fund Payable | 1.75 | 1.54 | 0.70 | 0.17 |
| Professional Tax Payable | 0.45 | 0.26 | 0.17 | - |
| | | | | |
| Other Provision | | | | |
| TDS Payable | 14.33 | 11.05 | 2.39 | 1.32 |
| Auditors' Remuneration payable | 0.98 | 0.78 | 0.50 | 0.25 |
| Corporate Tax Payable | 4.80 | 143.28 | 23.66 | 10.97 |
| | | | | |
| Total | 55.41 | 163.28 | 27.53 | 12.76 |

NOTE – I

RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT

FY 2017-18

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|-------------------------|-----------------------|---------------------------|---------------------------|-----------------|----------------|-----------------|---------------------------|----------------------|-----------------|-----------------|
| | As at 01-Apr-17 | Additions during the year | Deletions during the year | As at 31-Mar-18 | Upto 01-Apr-17 | During the year | Deletions during the year | Total upto 31-Mar-18 | As at 31-Mar-18 | As at 31-Mar-17 |
| | Tangible Asset | | | | | | | | | |
| Computer | 3.03 | 3.89 | - | 6.92 | - | 2.68 | - | 2.68 | 4.24 | 3.03 |
| Furniture | 3.96 | - | - | 3.96 | - | 0.90 | - | 0.90 | 3.06 | 3.96 |
| Car | 2.12 | - | - | 2.12 | - | 0.58 | - | 0.58 | 1.54 | 2.12 |
| Mobile | 1.09 | 0.14 | - | 1.23 | - | 0.85 | - | 0.85 | 0.38 | 1.09 |
| Plant & Machinery | 1.03 | 2.00 | - | 3.03 | - | 0.31 | - | 0.31 | 2.72 | 1.03 |
| | | | | | | | | | | |
| Intangible Asset | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - |
| Total | 11.23 | 6.03 | - | 17.26 | - | 5.32 | - | 5.32 | 11.94 | 11.23 |

FY 2018-19

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|-------------|---------------|----------------------|----------------------|---------------|--------------|-----------------|----------------------|--------------------|---------------|---------------|
| | As at 01-Apr- | Additions during the | Deletions during the | As at 31-Mar- | Upto 01-Apr- | During the year | Deletions during the | Total upto 31-Mar- | As at 31-Mar- | As at 31-Mar- |
| | | | | | | | | | | |

| | 18 | | | 19 | 18 | | | 19 | 19 | 18 |
|--------------------------------|--------------|-------------|----------|--------------|-------------|-------------|----------|--------------|--------------|--------------|
| | | year | year | | | | year | | | |
| <u>Tangible Asset</u> | | | | | | | | | | |
| Computer | 6.92 | 0.05 | - | 6.97 | 2.68 | 1.60 | - | 4.28 | 2.69 | 4.24 |
| Furniture | 3.96 | 1.87 | - | 5.83 | 0.90 | 1.17 | - | 2.07 | 3.76 | 3.06 |
| Car | 2.12 | - | - | 2.12 | 0.58 | 0.42 | - | 1.00 | 1.12 | 1.54 |
| Mobile | 1.23 | 1.34 | - | 2.57 | 0.85 | 0.79 | - | 1.64 | 0.93 | 0.38 |
| Plant & Machinery | 3.03 | 2.95 | - | 5.98 | 0.31 | 0.78 | - | 1.09 | 4.89 | 2.72 |
| Vehicle | - | 0.58 | - | 0.58 | - | 0.10 | - | 0.10 | 0.48 | - |
| | | | | | | | | | | |
| <u>Intangible Asset</u> | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| Total | 17.26 | 6.79 | - | 24.05 | 5.32 | 4.86 | - | 10.18 | 13.87 | 11.94 |
| <i>Previous Year</i> | <i>11.23</i> | <i>6.03</i> | <i>-</i> | <i>17.26</i> | <i>-</i> | <i>5.32</i> | <i>-</i> | <i>5.32</i> | <i>11.94</i> | <i>11.23</i> |

FY 2019-20

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|--------------------------------|-----------------|---------------------------|---------------------------|-----------------|----------------|-----------------|---------------------------|----------------------|-----------------|-----------------|
| | As at 01-Apr-19 | Additions during the year | Deletions during the year | As at 31-Mar-20 | Upto 01-Apr-19 | During the year | Deletions during the year | Total upto 31-Mar-20 | As at 31-Mar-20 | As at 31-Mar-19 |
| <u>Tangible Asset</u> | | | | | | | | | | |
| Computer | 6.97 | 2.09 | - | 9.06 | 4.28 | 1.32 | - | 5.60 | 3.46 | 2.69 |
| Furniture | 5.83 | 6.55 | - | 12.38 | 2.07 | 1.60 | - | 3.67 | 8.71 | 3.76 |
| Car | 2.12 | 121.91 | - | 124.03 | 1.00 | 14.66 | - | 15.66 | 108.37 | 1.12 |
| Mobile | 2.57 | 1.32 | 0.57 | 3.32 | 1.64 | 0.68 | 0.50 | 1.82 | 1.50 | 0.93 |
| Plant & Machinery | 5.98 | 9.41 | - | 15.39 | 1.09 | 1.48 | - | 2.57 | 12.82 | 4.89 |
| Vehicle | 0.58 | - | - | 0.58 | 0.10 | 0.08 | - | 0.18 | 0.40 | 0.48 |
| Land & Building | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| <u>Intangible Asset</u> | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| Total | 24.05 | 141.28 | 0.57 | 164.76 | 10.18 | 19.82 | 0.50 | 29.50 | 135.26 | 13.87 |
| <i>Previous Year</i> | <i>17.26</i> | <i>6.79</i> | <i>-</i> | <i>24.05</i> | <i>5.32</i> | <i>4.86</i> | <i>-</i> | <i>10.18</i> | <i>13.87</i> | <i>11.94</i> |

30th September 2020

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|-------------|-------------|-----------|-----------|--------------|------|------------|-----------|------------|-------|-------|
| | As at | Additions | Deletions | As at | Upto | During the | Deletions | Total upto | As at | As at |
| | | | | | | | | | | |

| | 01-Apr-20 | during the period | during the period | 30-Sep-20 | 01-Apr-20 | Period | during the period | 30-Sep-20 | 30-Sep-20 | 31-Mar-20 |
|--------------------------------|---------------|-------------------|-------------------|---------------|--------------|--------------|-------------------|--------------|---------------|---------------|
| <u>Tangible Asset</u> | | | | | | | | | | |
| Computer | 9.06 | 0.63 | - | 9.69 | 5.60 | 0.83 | - | 6.43 | 3.26 | 3.46 |
| Furniture | 12.38 | 2.81 | - | 15.19 | 3.67 | 1.49 | - | 5.16 | 10.03 | 8.71 |
| Car | 124.03 | 0.36 | - | 124.39 | 15.66 | 14.85 | - | 30.51 | 93.88 | 108.37 |
| Mobile | 3.32 | 0.14 | - | 3.46 | 1.82 | 0.40 | - | 2.22 | 1.24 | 1.50 |
| Plant & Machinery | 15.39 | 4.71 | - | 20.10 | 2.57 | 1.64 | - | 4.21 | 15.89 | 12.82 |
| Vehicle | 0.58 | - | - | 0.58 | 0.18 | 0.03 | - | 0.21 | 0.37 | 0.40 |
| Land & Building | - | - | - | - | - | - | - | - | - | - |
| <u>Intangible Asset</u> | - | - | - | - | - | - | - | - | - | - |
| Total | 164.76 | 8.65 | - | 173.41 | 29.50 | 19.24 | - | 48.74 | 124.67 | 135.26 |
| <i>Previous Year</i> | 24.05 | 141.28 | 0.57 | 164.76 | 10.18 | 19.82 | 0.50 | 29.50 | 135.26 | 13.87 |

NOTE – J

RESTATED STATEMENT OF NON CURRENT INVESTMENTS

(Rs. in Lakhs)

| Particulars | As At | | | |
|--------------------------------|---------------|---------------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Non-Current Investments | | | | |
| Investment in Land | 304.81 | 295.96 | - | - |
| Total | 304.81 | 295.96 | - | - |

NOTE – K

RESTATED STATEMENT OF LONG TERM LOANS & ADVANCES

(Rs. in Lakhs)

| Particulars | As At | | | |
|---------------------------------------|-------------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Long-Term Loans & Advances | | | | |
| Capital Advances | 8.60 | - | - | - |
| Total | 8.60 | - | - | - |

NOTE – L

RESTATED STATEMENT OF OTHER NON CURRENT ASSETS

(Rs. in Lakhs)

| Particulars | As At | | | |
|---------------------------------|--------------|--------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Other Non-Current Assets | | | | |
| Security deposits for tenders | 18.75 | 12.41 | 10.05 | 15.60 |
| Tender EMD | 7.19 | 5.50 | 3.44 | 3.40 |
| Rent Deposit | 2.19 | 2.25 | 0.90 | 0.90 |
| Other deposits | 1.23 | 1.35 | - | 0.13 |
| Indusind Forex Card | - | - | - | 0.01 |
| Total | 29.36 | 21.51 | 14.39 | 20.04 |

NOTE – M

RESTATED STATEMENT OF TRADE RECEIVABLES

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|---------------|---------------|---------------|---------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Trade Receivables | | | | |
| (Unsecured, Considered Good) | | | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | | | |
| -Dues From Directors, Related parties/Common Group Company,etc | - | - | - | - |
| - Others | 76.75 | 76.75 | 104.50 | - |
| Sub Total (A) | 76.75 | 76.75 | 104.50 | - |
| Outstanding for a period not exceeding 6 months from the date they are due for payment | | | | |
| -Dues From Directors,Related parties/Common Group Company, etc | - | - | - | - |
| - Others | 507.81 | 353.26 | 142.45 | 169.98 |
| Sub Total (B) | 507.81 | 353.26 | 142.45 | 169.98 |
| Total | 584.56 | 430.01 | 246.95 | 169.98 |

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

NOTE – N

RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

| Particulars | As At | | | |
|---|---------------|---------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Cash and Cash Equivalents: | | | | |
| (as per Accounting Standard 3: Cash flow Statements) | | | | |
| Cash-on-Hand | 5.79 | 5.84 | 5.67 | 3.75 |
| Balances in Current Account with Banks | 322.50 | 174.11 | 57.52 | 43.75 |
| Other Bank Balances | - | 12.02 | - | - |
| Total | 328.29 | 191.97 | 63.19 | 47.50 |

NOTE – O

RESTATED STATEMENT OF CURRENT INVESTMENTS

(Rs. in Lakhs)

| Particulars | As At | | | |
|-----------------------------------|---------------|-------------|-------------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Aditya Birla Sun Life Mutual Fund | 0.00 | - | 0.03 | - |
| L & T Mutual Fund (4496549/46) | 0.00 | - | 0.03 | - |
| L & T Mutual Fund (5115621/89) | 0.00 | - | 0.05 | - |
| Fixed Deposits with Banks | 638.91 | 8.95 | - | - |
| Total | 638.91 | 8.95 | 0.11 | - |

NOTE – P

RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Rs. in Lakhs)

| Particulars | As At | | | |
|---|--------------|---------------|-------------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Unsecured, Considered Good unless otherwise stated | | | | |
| Advances to Employees | - | - | 0.09 | - |
| Advance to Directors | 7.07 | - | - | - |
| Advances to supplier of services | - | 137.51 | - | - |
| Advances to Corporates & Others | 50.50 | - | - | - |
| Other Loans & Advances | - | 1.66 | 0.54 | - |
| Total | 57.57 | 139.17 | 0.63 | - |

NOTE – Q

RESTATED STATEMENT OF OTHER CURRENT ASSETS

(Rs. in Lakhs)

| Particulars | As At | | | |
|---|---------------|---------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Income Tax Refundable F.Y. 2016-17 | - | - | - | 9.99 |
| Income Tax Refundable F.Y. 2017-18 | - | - | 1.86 | - |
| Income Tax Refundable F.Y. 2018-19 | - | 6.73 | - | - |
| Advance Income Tax & TDS Receivable | - | 145.86 | 30.45 | 13.15 |
| TDS Claims from Financial Institutions on Loans | - | 0.27 | - | 0.05 |
| GST Receivable | 108.39 | 234.00 | 38.64 | 1.79 |
| Total | 108.39 | 386.86 | 70.95 | 24.98 |

NOTE – R

RESTATED STATEMENT OF REVENUE FROM OPERATIONS

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|-----------------|-----------------|-----------------|---------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Revenue from Operations | | | | |
| Carbon Credits Trading | 5,909.23 | 6,239.85 | 1,825.12 | 570.88 |
| Climate Change Advisory Services | 53.49 | 265.91 | 108.69 | 117.82 |
| Business Excellence Advisory & Training Services | 10.02 | 64.92 | 41.76 | 9.98 |
| Electrical Safety Audits | 17.59 | 19.76 | - | - |
| Total | 5,990.33 | 6,590.44 | 1,975.57 | 698.68 |

NOTE – S

RESTATED STATEMENT OF OTHER INCOME

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|----------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Related and Recurring Income: | | | | |
| Other Income | - | - | 9.73 | - |
| Related and Non-Recurring Income: | | | | |
| Non-Related and Recurring Income: | | | | |
| Interest on Fixed Deposits with Banks | 3.53 | 0.86 | 0.31 | 1.61 |
| Foreign Exchange Fluctuations | - | 3.17 | - | 0.72 |
| Interest on Income Tax Refund | 0.36 | 0.13 | 0.53 | - |
| Gain on Mutual Fund | 1.49 | 7.30 | 1.89 | - |
| Non-Related and Non-Recurring Income: | | | | |
| Interest on loan to director | 0.63 | - | - | - |
| PMRPY Benefit | - | - | 0.10 | - |

| | | | | |
|--------------|-------------|--------------|--------------|-------------|
| Total | 6.01 | 11.46 | 12.56 | 2.33 |
|--------------|-------------|--------------|--------------|-------------|

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

NOTE – T

RESTATED STATEMENT OF PURCHASES

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|-----------------|-----------------|-----------------|---------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Purchase & Operating Expenses | | | | |
| Carbon Credits Trading | 4,595.60 | 5,207.29 | 1,500.80 | 420.01 |
| Climate Change Advisory Services | 54.44 | 86.13 | 85.78 | 69.66 |
| Business Excellence Advisory & Training Services | 74.28 | 16.96 | 4.52 | - |
| | | | | |
| Total | 4,724.32 | 5,310.38 | 1,591.10 | 489.67 |

NOTE – U

RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(Rs. in Lakhs)

| Particulars | As At | | | |
|------------------------|---------------|---------------|---------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Salary to Staff | 292.64 | 447.21 | 149.96 | 65.76 |
| Staff Welfare Expenses | 6.02 | 3.81 | 3.29 | 2.05 |
| Gratuity | 7.92 | 0.27 | - | 6.61 |
| | | | | |
| Total | 306.58 | 451.29 | 153.25 | 74.42 |

NOTE – V

RESTATED STATEMENT OF FINANCE COST

(Rs. in Lakhs)

| Particulars | As At | | | |
|---|--------------|-------------|-------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Interest on loans from banks & financial institutions | 6.24 | 5.50 | 2.12 | 12.85 |
| Interest on unsecured loans from related parties | - | - | 1.22 | 4.12 |
| Interest on Statutory Dues | 2.80 | 0.06 | - | - |
| Bank Charges | 8.91 | 1.48 | 3.47 | 7.68 |
| Loan Processing Charges | - | 1.90 | 0.95 | - |
| | | | | |
| Total | 17.95 | 8.94 | 7.76 | 24.65 |

NOTE – W

RESTATED STATEMENT OF DEPRECIATION & AMORTISATION

(Rs. in Lakhs)

| Particulars | As At | | | |
|--|--------------|--------------|-------------|-------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Depreciation and Amortisation Expenses | 19.24 | 19.82 | 4.86 | 5.32 |
| Total | 19.24 | 19.82 | 4.86 | 5.32 |

NOTE – X

RESTATED STATEMENT OF OTHER EXPENSES

(Rs. in Lakhs)

| Particulars | As At | | | |
|--------------------------------------|---------------|---------------|---------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Audit Fees | 0.20 | 0.28 | 0.25 | 0.25 |
| Bad Debts Written Off | - | - | 20.94 | - |
| Business Promotion Expenses | 1.35 | 21.15 | 5.53 | 1.42 |
| Commission Expenses | 94.20 | 28.15 | - | - |
| Discount | 2.39 | - | - | - |
| General Office Expenses | 8.50 | 20.81 | 11.66 | 11.35 |
| IT Expenses | 6.52 | 5.21 | 3.26 | 2.49 |
| Legal & Professional Expenses | 20.24 | 66.75 | 39.28 | 19.48 |
| Loss on foreign exchange fluctuation | 22.76 | - | 9.73 | - |
| Membership Expenses | 26.34 | - | - | - |
| Office Rent | 12.06 | 24.77 | 7.10 | 6.09 |
| Printing & Stationery Expenses | 2.12 | 3.68 | 3.87 | 1.35 |
| Repairs & Maintenance Expenses | 4.23 | 4.20 | 3.55 | 0.62 |
| Telephone Expenses | 1.17 | 1.58 | 1.35 | 1.59 |
| Tender | 0.58 | 3.88 | 1.20 | 1.52 |
| Training & Development | 0.13 | 3.81 | 4.61 | 1.12 |
| Travelling Expenses | 5.73 | 33.01 | 27.18 | 23.86 |
| Total | 208.52 | 217.27 | 139.50 | 71.13 |

NOTE – Y

RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

(Amount in Lakhs Rs.)

| Particulars | As At | | | |
|--|--------------|--------------|--------------|--------------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Contingent liabilities in respect of: | | | | |
| Claims against the company not acknowledged as debts | 49.86 | 49.86 | 49.86 | 49.86 |
| Guarantees given on Behalf of the Company | 13.37 | 13.89 | 2.53 | 1.33 |
| Guarantees given on Behalf of the Subsidiary Company | - | - | - | - |
| Other moneys for which the company is contingently liable | 0.24 | 0.24 | 0.24 | 0.24 |
| Commitments (to the extent not provided for) | - | - | - | - |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - | - |
| Uncalled liability on shares and other investments partly paid | - | - | - | - |
| Other commitments | - | - | - | - |
| Total | 63.47 | 63.99 | 52.63 | 51.43 |

NOTE – Z

RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS

| A RELATED PARTY DISCLOSURE | | |
|--|--|---|
| (a) List of Related parties Names of the related parties with whom transactions were carried out during the years and description of relationship: | | |
| Sr. No. | Name of the Person / Entity | Relation |
| 1 | Manish Kumar Dabkara | Key Management Personnel (Director) |
| 2 | Naveen Sharma | Key Management Personnel (Director) |
| 3 | Sonali Sheikh | Key Management Personnel (Director) |
| 4 | Priyanka Dabkara | Key Management Personnel (Director) |
| 5 | Priyanka Dabkara | Relative of Key Management Personnel |
| 6 | Smt. Vidhya Dabkara | Relative of Key Management Personnel |
| 7 | Jagannath Dabkara HUF | Relative of Key Management Personnel |
| 8 | Manish Kumar Dabkara HUF | Relative of Key Management Personnel |
| 9 | Smt. Joshna Sheikh | Relative of Key Management Personnel |
| 10 | Neha Sharma | Relative of Key Management Personnel |
| 11 | Pooja Sharma | Relative of Key Management Personnel |
| 12 | Glofix Advisory Services Private Limited | KMP have significant influence in the company |
| 13 | Enking International LLP | KMP have significant influence in the entity |
| 14 | Absolute Lean Services Private Limited | Relatives of KMP have significant influence in the entity |
| 15 | Carbon Neutral Europe | KMP have significant influence in the entity |
| (b) Transaction with related Parties (excluding reimbursement of expenses):- | | |

| Sr. No. | Particulars | During the year / period ended | | | |
|------------|--|--------------------------------|----------|----------|----------|
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| I | Remuneration / Salary | | | | |
| 1 | Manish Kumar Dabkara | 60.00 | 121.48 | 11.57 | 7.02 |
| 2 | Naveen Sharma | 18.35 | 16.85 | 18.37 | 9.86 |
| 3 | Sonali Sheikh | 4.93 | 8.49 | 10.36 | 5.05 |
| 4 | Priyanka Dabkara | 9.00 | 18.00 | 4.80 | 2.45 |
| 5 | Smt Vidhya Dabkara | - | - | 1.50 | 1.75 |
| 6 | Priyanka Dabkara | - | - | 0.62 | 1.75 |
| 7 | Pooja Sharma | - | - | 6.21 | 2.45 |
| 8 | Neha Sharma | - | - | 6.21 | 2.45 |
| 9 | Smt Joshna Sheikh | 2.70 | 5.00 | 0.20 | 0.40 |
| II | Interest Paid / (Received) | | | | |
| 1 | Manish Kumar Dabkara | - | - | 1.22 | 4.12 |
| 2 | Manish Kumar Dabkara | (0.63) | - | - | - |
| III | Professional Fee | | | | |
| 1 | Manish Kumar Dabkara | - | - | - | 1.75 |
| 2 | Jagannath Dabkara HUF | - | 3.12 | 3.60 | 2.16 |
| 3 | Manish Kumar Dabkara HUF | - | 3.12 | 3.60 | 2.16 |
| 4 | Pooja Sharma | - | 14.82 | - | - |
| 5 | Neha Sharma | 12.15 | 22.93 | - | - |
| IV | Unsecured Loans (accepted) / repaid | | | | |
| 1 | Manish Kumar Dabkara | - | - | - | (110.87) |
| 2 | Manish Kumar Dabkara | - | - | 36.89 | 135.59 |
| 3 | Glofix Advisory Services Pvt Ltd | - | (15.00) | (43.76) | (40.00) |
| 4 | Glofix Advisory Services Pvt Ltd | - | 15.00 | 43.76 | 40.00 |
| V | Loans & Advances given / (received back) | | | | |
| 1 | Manish Kumar Dabkara | 68.56 | 94.69 | - | - |
| 2 | Manish Kumar Dabkara | (62.12) | (94.69) | - | - |
| 3 | Glofix Advisory Services Pvt Ltd | - | 171.22 | 16.40 | - |
| 4 | Glofix Advisory Services Pvt Ltd | - | (171.22) | (16.40) | - |
| (b) | Transaction with related Parties (excluding reimbursement of expenses):- (Contd...) | | | | |
| Sr. No. | Particulars | During the year / period ended | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| VI | Others | | | | |
| 1 | Smt Vidhya Dabkara (Rent Expense) | 12.00 | 24.00 | 7.09 | 6.09 |
| 2 | Smt Vidhya Dabkara (Rent Deposit) | 2.00 | 1.10 | - | - |
| 3 | Carbon Neutral Europe (Carbon Credit Purchase) | - | - | 0.02 | - |
| 4 | Absolute Lean Services Pvt Ltd (Services Availed by the Company) | 9.44 | 5.62 | - | - |
| 5 | Absolute Lean Services Pvt Ltd (Services Provided by the Company) | - | - | 1.83 | - |

| (c) Year end balances of related parties on account of | | | | | |
|--|---|----------|----------|----------|----------|
| Sr. No. | Particulars | As at | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| 1 | Manish Kumar Dabkara (Unsecured Loans) | - | - | - | 35.67 |
| 2 | Manish Kumar Dabkara - Loans & Advances Given | 68.56 | - | - | - |
| 3 | Vidhya Dabkara Rent Deposit | 2.00 | 2.00 | 0.90 | 0.90 |
| (d) Maximum amount outstanding during the year | | | | | |
| Sr. No. | Particulars | As at | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| 1 | Manish Kumar Dabkara (Loans & Advances) | 61.49 | 57.34 | - | - |
| 2 | Manish Kumar Dabkara (Unsecured Loans) | - | - | 35.67 | 66.04 |
| 3 | Vidhya Dabkara Rent Deposit | 2.00 | 2.00 | 0.90 | 0.90 |

NOTE – AA

RESTATED STATEMENT OF SEGMENT REPORTING

Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily:

- 1) Carbon Credits Trading,
- 2) Climate Change Advisory Services,
- 3) Others

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are USA, Europe, India, Australia & Others.

| S. No. | Particulars | For the year ended 31 March, 2018 (Amount in Lakh Rs.) | | | |
|--------|----------------------------|---|----------------------------------|--------|--------|
| | | Business segments | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | |
| 1 | Revenue | 570.88 | 117.82 | 9.98 | 698.68 |
| 2 | Segment expenses | 420.01 | 69.66 | - | 489.67 |
| 3 | Unallocable expenses (net) | - | - | - | 175.52 |
| 4 | Operating income | - | - | - | 33.49 |
| 5 | Other income (net) | - | - | - | 2.33 |
| 6 | Profit before taxes | - | - | - | 35.82 |
| 7 | Tax expense | - | - | - | 8.91 |
| 8 | Net profit for the year | - | - | - | 26.91 |

| S. No | Particulars | For the year ended 31 March, 2019 (Amount in Lakh Rs.) | | | |
|-------|----------------------------|---|----------------------------------|--------|----------|
| | | Business segments | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | |
| 1 | Revenue | 1,825.12 | 108.69 | 41.76 | 1,975.57 |
| 2 | Segment expenses | 1,500.80 | 85.78 | 4.52 | 1,591.10 |
| 3 | Unallocable expenses (net) | - | - | - | 305.38 |
| 4 | Operating income | - | - | - | 79.09 |
| 5 | Other income (net) | - | - | - | 12.56 |
| 6 | Profit before taxes | - | - | - | 91.65 |
| 7 | Tax expense | - | - | - | 23.61 |
| 8 | Net profit for the year | - | - | - | 68.04 |
| | | | | | |
| | | | | | |
| S. No | Particulars | For the year ended 31 March, 2020 (Amount in Lakh Rs.) | | | |
| | | Business segments | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | |
| 1 | Revenue | 6,239.85 | 265.91 | 84.67 | 6,590.43 |
| 2 | Segment expenses | 5,207.29 | 86.13 | 16.96 | 5,310.38 |
| 3 | Unallocable expenses (net) | - | - | - | 697.32 |
| 4 | Operating income | - | - | - | 582.73 |
| 5 | Other income (net) | - | - | - | 11.46 |
| 6 | Profit before taxes | - | - | - | 594.19 |
| 7 | Tax expense | - | - | - | 146.74 |
| 8 | Net profit for the year | - | - | - | 447.45 |
| | | | | | |
| S. No | Particulars | For the year ended 30 September, 2020 (Amount in Lakh Rs.) | | | |
| | | Business segments | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | |
| 1 | Revenue | 5,909.23 | 53.49 | 27.61 | 5,990.33 |
| 2 | Segment expenses | 4,595.60 | 54.44 | 74.28 | 4,724.32 |
| 3 | Unallocable expenses (net) | - | - | - | 552.29 |
| 4 | Operating income | - | - | - | 713.72 |
| 5 | Other income (net) | - | - | - | 6.01 |
| 6 | Profit before taxes | - | - | - | 719.72 |
| 7 | Tax expense | - | - | - | 181.15 |
| 8 | Net profit for the year | - | - | - | 538.58 |
| | | | | | |
| | | | | | |

| S. No | Particulars | As at 31, March 2018 (Amount in Lakh Rs.) | | | | |
|-------|-------------------------|--|----------------------------------|--------------|----------------------------------|-----------------|
| | | Business segments | | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | Unallocable Assets / Liabilities | |
| 1 | Segment assets | 29.39 | 134.43 | 6.16 | - | 169.98 |
| 2 | Unallocable assets | - | - | - | 106.62 | 106.62 |
| 3 | Total assets | 29.39 | 134.43 | 6.16 | 106.62 | 276.60 |
| 4 | Segment liabilities | 14.06 | 12.28 | - | - | 26.34 |
| 5 | Unallocable liabilities | - | - | - | 153.73 | 153.73 |
| 6 | Total liabilities | 14.06 | 12.28 | - | 153.73 | 180.07 |
| S. No | Particulars | As at 31, March 2019 (Amount in Lakh Rs.) | | | | |
| | | Business segments | | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | Unallocable Assets / Liabilities | |
| 1 | Segment assets | 108.47 | 128.44 | 10.04 | - | 246.95 |
| 2 | Unallocable assets | - | - | - | 165.36 | 165.36 |
| 3 | Total assets | 108.47 | 128.44 | 10.04 | 165.36 | 412.31 |
| 4 | Segment liabilities | 78.35 | 7.82 | - | - | 86.17 |
| 5 | Unallocable liabilities | - | - | - | 161.57 | 161.57 |
| 6 | Total liabilities | 78.35 | 7.82 | - | 161.57 | 247.74 |
| S. No | Particulars | As at 31, March 2020 (Amount in Lakh Rs.) | | | | |
| | | Business segments | | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | Unallocable Assets / Liabilities | |
| 1 | Segment assets | 196.12 | 197.96 | 35.92 | - | 430.00 |
| 2 | Unallocable assets | - | - | - | 1,179.68 | 1,179.68 |
| 3 | Total assets | 196.12 | 197.96 | 35.92 | 1,179.68 | 1,609.68 |
| 4 | Segment liabilities | 698.90 | 21.44 | - | - | 720.34 |
| 5 | Unallocable liabilities | - | - | - | 277.33 | 277.33 |
| 6 | Total liabilities | 698.90 | 21.44 | - | 277.33 | 997.67 |

| S. No | Particulars | As at 30, September 2020 (Amount in Lakh Rs.) | | | | |
|---|-------------------------|--|----------------------------------|-----------------|----------------------------------|-----------------|
| | | Business segments | | | | Total |
| | | Carbon Credits Trading | Climate Change Advisory Services | Others | Unallocable Assets / Liabilities | |
| 1 | Segment assets | 429.86 | 150.20 | 4.50 | - | 584.56 |
| 2 | Unallocable assets | - | - | - | 1,601.63 | 1,601.63 |
| 3 | Total assets | 429.86 | 150.20 | 4.50 | 1,601.63 | 2,186.19 |
| 4 | Segment liabilities | 845.80 | 22.20 | - | - | 868.00 |
| 5 | Unallocable liabilities | - | - | - | 167.59 | 167.59 |
| 6 | Total liabilities | 845.80 | 22.20 | - | 167.59 | 1,035.59 |
| The following geographic segments individually contribute 10 percent or more of the groups revenue: | | | | | | |
| S. No | Geographic Segment | As at | | | | |
| | | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 | |
| 1 | USA | 787.43 | 1,191.81 | 18.77 | - | |
| 2 | Europe | 1,710.09 | 3,299.81 | 1,427.88 | 506.34 | |
| 3 | India | 170.92 | 453.47 | 161.88 | 134.16 | |
| 4 | Australia | 2,000.31 | 877.96 | 91.59 | 34.84 | |
| 5 | Others | 1,321.58 | 767.38 | 275.46 | 23.35 | |
| | | 5,990.33 | 6,590.43 | 1,975.58 | 698.69 | |

Note : In regards to the nature of business operation & maintenance of records by the Company, details of Geographical Segment Assets is not ascertainable. Hence, it is not provided by way of notes.

NOTE – BB

RESTATED STATEMENT OF TAX SHELTER

(Rs. In Lakhs)

| Particulars | As at | | | |
|---|----------|----------|----------|----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Restated profit before tax as per books (A) | 719.72 | 594.19 | 91.64 | 35.81 |
| Tax Rates | | | | |
| Income Tax Rate (%) | 25.17% | 25.17% | 26.00% | 25.75% |
| Minimum Alternative Tax Rate (%) | NA | NA | 18.50% | 18.50% |
| Adjustments : | | | | |
| Income Considered Separately (B) | - | 7.30 | 1.89 | - |
| Separately Allowable (C) | - | 5.51 | 0.91 | - |
| Disallowed (D) | - | 0.33 | - | 6.61 |
| Timing Difference (E) | | | | |
| - Book Depreciation | 19.24 | 19.82 | 4.87 | 5.32 |
| - Income Tax Depreciation allowed | 10.21 | 33.93 | 4.60 | 3.98 |
| Total Timing Difference | 9.03 | (14.11) | 0.27 | 1.34 |
| Net Adjustment [F = (B+C+D-E)] | 9.03 | (26.59) | (2.53) | 7.95 |

| | | | | |
|---------------------------------------|--------|--------|--------|--------|
| Income from Business & Profession (G) | 728.75 | 567.60 | 89.11 | 43.76 |
| Income from Capital Gains (H) | - | - | - | - |
| Income from Other Sources (I) | - | 7.30 | 1.89 | - |
| Deduction under chapter VI (J) | - | 5.62 | - | 1.14 |
| Taxable Income/(Loss) [K = (G+H+I-J)] | 728.75 | 569.28 | 91.00 | 42.62 |
| Income Tax on Above | 183.41 | 143.28 | 23.66 | 10.97 |
| MAT on Book Profit | - | - | 16.95 | 6.62 |
| Tax paid as per normal or MAT | Normal | Normal | Normal | Normal |
| Interest & Fee Payable | - | - | - | 0.10 |
| Total Provision for Tax | 183.41 | 143.28 | 23.66 | 10.97 |

NOTE - CC

CAPITALISATION STATEMENT

(Amt. Rs. in Lacs)

| Particulars | Pre Issue | Post Issue |
|--|------------------|-------------------|
| Borrowings | | |
| Short term debt | 0.79 | 0.79 |
| Long Term Debt | 82.76 | 82.76 |
| Total debts | 83.55 | 83.55 |
| Shareholders' funds | | |
| Equity share capital | 5.00 | * |
| Reserve and surplus - as restated | 1,145.59 | * |
| Total shareholders' funds | 1,150.59 | * |
| Long term debt / shareholders' funds (in Rs.) | 0.07 | * |
| Total debt / shareholders' funds (in Rs.) | 0.07 | * |

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are expected to be paid/ payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.09.20

NOTE – DD

RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Rs. in Lakhs Except Per Share Data)

| Particulars | As at | | | |
|--|-----------|-----------|-----------|-----------|
| | 30-09-20 | 31-03-20 | 31-03-19 | 31-03-18 |
| Net Worth (A) | 1,150.59 | 612.02 | 164.57 | 96.53 |
| Adjusted Profit after Tax (B) | 538.58 | 447.45 | 68.04 | 26.91 |
| Number of Equity Share outstanding as on the End of Year (C) | 50,000 | 50,000 | 50,000 | 50,000 |
| Adjusted Number of Equity Share outstanding as on the End of Year (D) | 5,050,000 | 5,050,000 | 5,050,000 | 5,050,000 |
| Adjusted Weighted Average no of Equity shares at the time of end of the year (E) | 5,050,000 | 5,050,000 | 5,050,000 | 5,050,000 |
| Face Value per Share | 10.00 | 10.00 | 10.00 | 10.00 |
| Restated Basic and Diluted Earning Per Share (Rs.) (B/E) | 10.66 | 8.86 | 1.35 | 0.53 |
| Return on Net worth (%) (B/A) | 46.81% | 73.11% | 41.34% | 27.88% |
| Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Actual Number of Shares) | 2,301.19 | 1,224.03 | 329.14 | 193.06 |
| Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Weighted Average Number of Shares) | 22.78 | 12.12 | 3.26 | 1.91 |
| EBITDA | 743.48 | 618.58 | 86.45 | 54.16 |

Note:

1) The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 30 September 2020.

(a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Adjusted weighted average number of equity shares outstanding at the end of the period or year
 (b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Adjusted weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
 (c) Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year
 (d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

2) Adjusted number of equity share is the number of equity share after giving effect to the bonus issue. The Company has issued 50 Lakhs Bonus shares on 28.11.2020. As per AS 20 "Earning Per Share" the number of equity share outstanding before the bonus issue has to be adjusted for proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

3) Adjusted weighted average number of equity shares is the adjusted number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

4) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

5) The figures disclosed above are based on the restated summary statements of the Company.

6) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below: -

| Particulars | September 30, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2017 |
|--|--------------------|----------------|----------------|----------------|
| Profit After Tax | 538.58 | 447.45 | 68.04 | 26.91 |
| Basic & Diluted Earnings per Share | 10.66 | 8.86 | 1.35 | 0.53 |
| Return on Net Worth (%) | 50.72% | 73.11% | 41.34% | 27.88% |
| NAV per Equity Shares (Based on Actual Number of Shares) | 2301.19 | 1,224.03 | 329.14 | 193.06 |
| NAV per Equity Shares (Based on Weighted Average Number of Shares - With Bonus Effect) | 22.78 | 12.12 | 3.26 | 1.91 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 743.48 | 618.58 | 86.45 | 54.16 |

Note: . The ratios for the stub period ended on September 30, 2020 are not annualized.

STATEMENT OF FINANCIAL INDEBTEDNESS

To,

The Board of Directors,

EKI ENERGY SERVICES LIMITED

201, Plot No. 48, Scheme No. 78, Part II,
Vijay Nagar, Near Brilliant Convention Centre,
Indore (M.P.) 452010

Dear Sirs,

Based on the independent examination of books of accounts, Audited Financial Statement, and other documents of **EKI Energy Services Limited** (“the Company”) and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30 September 2020 are mentioned below.

A. SECURED LOANS

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. in Lacs)

| Name of Lender | Purpose | Loan/ Agreement A/c No./Ref. No. | Sanctioned Amount (In Lacs) | Rate of interest | Primary & Collateral Security | Re-Payment Schedule | Moratorium | Outstanding amount as on 30.09.2020 as per Books (In Lacs) |
|--|--------------------|----------------------------------|-----------------------------|-------------------|--------------------------------|---|------------|--|
| BMW Financial Services | Car Loan | CN00174288 | 49.31 | 9.85% per annum | Hypothecation of Motor Vehicle | 36 Equated monthly installments of Rs. 85,418 /- & Final Installment of Rs. 31.43 Lakhs | N.A. | 44.16 |
| Daimler Financial Services India Pvt Ltd | Car Loan | DF- A105819001/ 10138110 | 59.30 | 10.75% per annum | Hypothecation of Motor Vehicle | 35 Equated monthly installments of Rs. 1,07,585 /- & Final installment of Rs. 37.36 Lakhs | N.A. | 52.43 |
| ICICI Bank Limited | Overdraft Facility | CAL6105373 96171 | 500.00 | Repo Rate + 4.95% | Primary: | Maximum tenor of each tranche: 360 days | - | - |

| | | | | | | | |
|--------------|--|--|--|---|--|--|--------------|
| | | | | <p>1. Entire Current Assets included debtors, cash, and other advances to suppliers etc.</p> <p>Collateral: Plot of land</p> <ul style="list-style-type: none"> • Residential land owned by EKI Energy Services Limited at 140, Scheme No. 78, Indore, M.P. 452001 • Commercial Land owned by Manish Dabkara and Vidhya Dabkara at Plot No. 48, Sch No. 78, Indore, M.P.-452001 • Residential Land owned by Manish Dabkara and Vidhya Dabkara at Flat No. 401, Dakshata Apartment, Indore, M.P.452001 <p>Personal Guarantee: Given by Manish Kumar Dabkara, Naveen Sharma, Vidhya Dabkara and Priyanka Dabkara</p> | <p>Minimum tenor of each tranche: 30 days</p> <p>(Principal amount of each tranche is to be repaid as bullet payment on the maturity date or in installments as agreed upon. Last date of repayment should not exceed 180 days from the last date of validity of facility. However, date of disbursement should be within the last date of validity of the facility)</p> | | |
| Total | | | | | | | 96.59 |

Principal terms of Term Loan facilities availed from BMW Financial Services: Nil

Principal terms of Term Loan facilities availed from Daimler Financial Services India Pvt Ltd: Nil

Principal terms of Overdraft facilities availed from ICICI Bank Limited:

1. Balance outstanding confirmation for facilities to be taken over can be given by borrower through online statement / screen shot/statement of Accounts/repayment schedule of existing Bank/FI facilities. These statements should be stamped and signed by the borrower. Such online statements to be downloaded in the presence of Business Group officials and to be certified by the Solution manager that the same is downloaded

in their presence.

2. For un-encumbered properties, original title deeds to be collected by bank prior to first disbursement/ takeover
3. Borrower Shall ensure that Adjusted Tangible Net Worth shall be maintained at minimum of 42.90 Million during the currency of the ICICI bank loan wherein Adjusted Tangible Net Worth shall be defined as "Share Capital + Reserves & Surplus + unsecured loans subordinated-intangible assets-Advance / Investment to group company (not to be tracked by CMOG)
4. Interest or any other obligations towards unsecured loans will be subservient to payment of interest/ principal or any other liabilities towards ICICI Bank Ltd.
5. Borrower to start routing all banking transaction with ICICI Bank Ltd (already part of Working capital Master Facility Agreement) within 15 days of initial disbursement.

B. UNSECURED LOANS - NIL

For D.N. JHAMB AND COMPANY

Chartered Accountants

FRN: 0019675C

Sd/-

DEVKI NANDAN JHAMB

Partner

M. No. 079696

Date: 03.03.2021

Place: Indore, Madhya Pradesh

UDIN: 21079696AAAADB8010

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page 144 You should also read the section titled “Risk Factors” on page 24 and the section titled “Forward Looking Statements” on page 18 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated December 05, 2020 which is included in this Draft Red Herring Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

OVERVIEW

Our Company, was originally incorporated as EKI Energy Services Limited on May 03, 2011 under the provisions of Companies Act, 1956. Our Company has been in the business of Climate Change Advisory Services, Carbon Credits Trading, Business Excellence Advisory and Electrical Safety Audits. We are offering our services to various clients in the government and private sectors like power generation, waste management, clean development mechanism, airports and many more industries.

In the year 2011 we started the business of climate change advisory services involving consultancy for validation, registration, verification, issuance and trading of eligible Carbon Credits Projects as CDM (Clean Development Mechanism) /VCS (Verified Carbon Standard) Project. With the response from the market, our company further expanded its services in the year 2015 into carbon credits trading and also started various other services like Business Excellence Advisory Services & Training Services. Today with increasing awareness among the community with regards to the environment safety and energy conservation the company has also entered in Electrical Safety Audits.

The government's thrust on clean and green India and development of renewable sources of energy has created awareness among the business community and paved the way for the continuous growth and expansion of the company's operations. We focus on client centric services particularly in the field of energy conservation, climate change advisory & business excellence sector, where the clients can get services like: consultancy, advisory, compliance, audits, trading & training to become more profitable and sustainable

Our Company is an ISO 9001:2015 certified provider of different types of services relating to carbon offsets generation projects and National/International management standards implementation, management consulting, audit, training while considering context of the organization and meeting needs and expectations of all interested parties, statutory and regulatory requirements.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policy and Notes to Restated Financial Statements in “Annexure IV” beginning on page no 151 under the Chapter titled “Restated Financial Information” of the Draft Red Herring Prospectus.

CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies except accounting of Gratuity which was previously done on cash basis, has now been accounted based on mercantile system as certified by Independent Actuary.

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 24 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our ability to successfully implement our strategy, our growth and expansion, technological changes;
- Our ability to detect any fraud or misappropriation related to carbon credits
- Regular updation with changes in quality management standards, electrical safety norms and environmental laws and regulations related to GHG emissions
- The business or financial condition of our clients or the global economy generally
- any developments in the industry or sector in macroeconomic factors, which may affect the rate of growth and the demand for our services;
- Our ability to provide better services than our competitors
- Our ability to maintain and enhance awareness of our industry
- Fail to attract, retain and manage the transition of our management team and other skilled professionals; our inability to compete efficiently;
- Ability to respond to technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Fluctuations in Foreign Exchange rates.
- Changes in laws and regulations relating to the industries in which we operate;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with group companies, the promoter group and other related parties;

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period ended September 30, 2020, FY 2020, FY 2019 and FY 2018.

| Particulars | September 30, 2020 | % of Total Income | March 31, 2020 | % of Total Income | March 31, 2019 | % of Total Income | March 31, 2018 | % of Total Income |
|--|--------------------|-------------------|-----------------|-------------------|-----------------|-------------------|----------------|-------------------|
| Revenue From Operations | 5,990.33 | 99.90% | 6,590.44 | 99.83% | 1,975.57 | 99.37% | 698.68 | 99.67% |
| Other Income | 6.005 | 0.10% | 11.46 | 0.17% | 12.56 | 0.63% | 2.33 | 0.33% |
| Total Revenue | 5,996.34 | 100% | 6,601.90 | 100% | 1,988.13 | 100% | 701.01 | 100% |
| Expenditure | | | | | | | | |
| Purchase and Operating Expenses | 4,724.32 | 78.79% | 5,310.38 | 80.44% | 1,591.10 | 80.03% | 489.67 | 69.85% |
| Employee Benefit Expenses | 306.58 | 5.11% | 451.29 | 6.84% | 153.25 | 7.71% | 74.42 | 10.62% |
| Finance Cost | 17.95 | 0.30% | 8.94 | 0.14% | 7.76 | 0.39% | 24.65 | 3.52% |
| Depreciation and Amortisation Expenses | 19.24 | 0.32% | 19.82 | 0.30% | 4.87 | 0.24% | 5.32 | 0.76% |
| Other Expenses | 208.52 | 3.48% | 217.27 | 3.29% | 139.50 | 7.02% | 71.13 | 10.15% |
| Total Expenditure | 5,276.62 | 88.00% | 6,007.71 | 91.00% | 1,896.49 | 95.39% | 665.20 | 94.89% |
| Profit/(Loss) Before Tax | 719.72 | 12.00% | 594.19 | 9.00% | 91.64 | 4.61% | 35.81 | 5.11% |
| Tax Expense: | | | | | | | | |
| Current Tax | 183.41 | 3.06% | 143.28 | 2.17% | 23.67 | 1.19% | 10.96 | 1.56% |
| Deferred Tax | -2.27 | -0.04% | 3.47 | 0.05% | (0.07) | - | (2.07) | (0.29) |
| Total Tax Expense | 181.14 | 3.02% | 146.74 | 2.22% | 23.60 | 1.19% | 8.90 | 1.27% |
| Net Profit and loss as restated | 538.58 | 8.98% | 447.45 | 6.78% | 68.04 | 3.42% | 26.91 | 3.84% |

Revenue from operations:

Revenue from operations includes revenue generated from Carbon Credits Trading, Climate Change Advisory Services, Business Excellence Advisory & Training Services & Electrical Safety Audits.

Other Income:

Our other income primarily comprises of interest income, foreign exchange fluctuations, mutual fund income etc.

Purchase

Purchase includes purchase of Carbon Credit Trading and sub advisory services in respect of climate change and business excellence advisory and training services.

Employee benefits expense:

Our employee benefits expense primarily comprises of Salary and wages, contribution to PF, Gratuity Expenses, Staff Welfare Expense etc.

Finance Costs:

Our finance cost includes Interest Expenses and other borrowing costs.

Depreciation and Amortization Expenses:

Depreciation includes depreciation on tangible assets like furniture and fixture, heavy vehicles and motor cars and computer and intangible asset i.e. software.

Other Expenses:

Other expenses include rent, rates and taxes, power and fuel, insurance charges, site expenses, royalty expenses, professional & legal expenses, repair & maintenance expenses, freight expenses, miscellaneous expenses etc.

Financial Performance Highlights for the Period Ended September 30, 2020 (Based on Restated Financial Statements)**Revenue from operations:**

The revenue from operations during the period ended September 30, 2020 was Rs. 5990.33 Lakhs. Revenue from operations includes revenue generated from Carbon Credits Trading, Climate Change Advisory Services, Business Excellence Advisory & Training Services & Electrical Safety Audits.

Total Expenses:

The total expenditure during period ended September 30, 2020 was Rs. 5276.62 Lakhs. The total expenditure represents 88% of the total income. The total expenses are represented by Purchases, employee benefits expense, finance costs, depreciation and amortization expenses and Other Expenses. The main constituent of total expenditure is purchases and operating expenses which is Rs. 4724.32 lakhs.

Profit/ (Loss) after Tax:

The restated net profit during the period ended September 30, 2020 was Rs. 538.58 lakhs representing 8.98% of the total revenue of our company.

Financial Year 2020 Compared to Financial Year 2019 (Based on Restated Financial Statements)**Total Income:**

Total income for the financial year 2019-20 stood at Rs. 6,601.90 Lakhs whereas in Financial Year 2018-19 the same stood at Rs. 1,988.13 Lakhs representing an increase of 232.07%.

Revenue from Operations

During the financial year 2019-20 the net revenue from operation of our Company increased to Rs. 6590.44 Lakhs as against Rs. 1,975.57 Lakhs in the Financial Year 2018-19 representing an increase of 233.60%. The main contribution was due to expansion in the business of carbon credit trading.

Other Income:

During the financial year 2019-20 the other income of our Company decreased to Rs. 11.46 Lakhs as against Rs. 12.56 lakhs in the Financial Year 2018-19 representing a decrease of 8.76%. Such decrease was primarily due to related recurring income.

Purchases

The purchases for the financial year 2019-20 increased to Rs. 5310.38 Lakhs from Rs. 1591.10 lakhs in the Financial Year 2018-19 representing an increase of 233.76%. Such increase was due to increase in business operations of the Company.

Total Expenses:

The Total Expenditure for the financial year 2019-20 increased to Rs. 6007.71 Lakhs from Rs. 1896.49 lakhs in the Financial Year 2018-19 representing an increase of 216.78%. The main component of the total cost was Purchases which represent around 80% of the total cost.

Employee benefits expense:

Our Company has incurred Rs. 451.29 Lakhs as Employee benefits expense during the financial year 2019-20 as compared to Rs. 153.25 Lakhs in the financial year 2018-19. The increase of 194.48% was due to increase in Director's remuneration, increase in salaries and increase in staff welfare expenses.

Finance costs:

These costs were for the financial Year 2019-20 increased to Rs. 8.94 Lakhs as against Rs 7.76 Lakhs during the financial year 2018-19. The increase of 15.21 % was due to increase in interest expenses and borrowing cost.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2019-20 stood at Rs. 19.82 Lakhs as against Rs. 4.87 Lakhs during the financial year 2018-19. The increase in depreciation was around 306.98% in comparison to the previous year.

Other Expenses:

Our Company has incurred Rs. 217.27 Lakhs during the Financial Year 2019-20 on other expenses as against Rs. 139.50 Lakhs during the financial year 2018-19. The increase of 55.75% was mainly due to increase in Business promotion expenses, commission expenses, general office expenses and miscellaneous expenses.

Restated Profit before tax:

Net Profit before tax for the financial year 2019-20 increased to Rs. 594.19 Lakhs as compared to Rs. 91.64 Lakhs in the financial year 2018-19, which was majorly due to factors as mentioned above.

Restated profit after tax:

The Company reported Restated profit after tax for the financial year 2019-20 of Rs. 447.45 Lakhs in comparison to Rs. 68.64 lakhs in the financial year 2018-19 majorly due to factors mentioned above. The increase of 557.61% was mainly due to increase in the revenue and decrease in the cost as mentioned above.

Financial Year 2019 Compared to Financial Year 2018 (Based on Restated Financial Statements)**Total Income:**

Total income for the financial year 2018-19 stood at Rs. 1988.13 Lakhs whereas in Financial Year 2017-18 the same stood at Rs. 701.01 Lakhs representing an increase of 183.61%.

Revenue from Operations

During the financial year 2018-19 the net revenue from operation of our Company increased to Rs. 1975.57 Lakhs as against Rs. 698.68 lakhs in the Financial Year 2017-18 representing an increase of 182.76%.

Other Income:

During the financial year 2018-19 the other income of our Company increased to Rs. 12.56 Lakhs as against Rs. 2.33 lakhs in the Financial Year 2017-18 representing an increase of 439.06%. Such increase was primarily due to related recurring income.

Purchases

The purchases for the financial year 2018-19 increased to Rs. 1591.10 Lakhs from Rs. 489.67 lakhs in the Financial Year 2017-18 representing an increase of 224.93%. Such increase was due to increase in business operations of the Company.

Total Expenses:

The Total Expenditure for the financial year 2018-19 increased to Rs. 1896.49 Lakhs from Rs. 665.20 lakhs in the Financial Year 2017-18 representing an increase of 185.10%.

Employee benefits expense:

Our Company has incurred Rs. 153.25 Lakhs as Employee benefits expense during the financial year 2018-19 as compared to Rs. 74.42 Lakhs in the financial year 2017-18. The increase of 105.93% was due to increase in Director's remuneration, increase in salaries and increase in staff welfare expenses.

Finance costs:

These costs were for the financial Year 2018-19 decreased to Rs. 7.76 Lakhs as against Rs 24.65 Lakhs during the financial year 2018-19. The decrease of 68.52% was due to decrease in interest expenses and borrowing cost.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2018-19 stood at Rs. 4.87 Lakhs as against Rs. 5.32 Lakhs during the financial year 2017-18.

Other Expenses:

Our Company has incurred Rs. 139.50 Lakhs during the Financial Year 2018-19 on other expenses as against Rs. 71.13 Lakhs during the financial year 2017-18. The increase of 96.10% was mainly due to increase in Business promotion expenses, commission expenses, general office expenses and miscellaneous expenses.

Restated Profit before tax:

Net Profit before tax for the financial year 2018-19 increased to Rs. 91.64 Lakhs as compared to Rs. 35.81 Lakhs in the financial year 2017-18, which was majorly due to factors as mentioned above.

Restated profit after tax:

The Company reported Restated profit after tax for the financial year 2018-19 of Rs. 68.04 Lakhs in comparison to Rs. 26.91 lakhs in the financial year 2017-18 majorly due to factors mentioned above.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. *Unusual or infrequent events or transactions*

There has not been any unusual trend, infrequent event or transaction in our business activity.

2. *Significant economic changes that materially affected or are likely to affect income from continuing operations.*

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. *Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.*

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 24 of the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. *Future changes in relationship between costs and revenues*

Other than as described in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 24, 98 and 185 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

5. *Total turnover of each major industry segment in which our Company operates*

The Company is in the business of providing Climate Change Advisory Services, Carbon Credits Trading, Business Excellence Advisory and Electrical Safety Audits and related services. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 86 of this Draft Red Herring Prospectus.

6. *Increases in net sales or revenue and Introduction of new products or services or increased sales prices*

Increases in revenues are by and large linked to increases in volume of our business.

7. *Status of any publicly announced New Products or Business Segment*

Our Company has not announced any new product or service.

8. *Seasonality of business*

Our Company’s business is not seasonal in nature.

9. *Dependence on few customers*

The revenue of our company is dependent on a few limited numbers of customers.

10. *Competitive conditions*

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 86 and 98 respectively of the Draft Red Herring Prospectus.

11. Details of material developments after the date of last balance sheet i.e. September 30, 2020

After the date of last Balance sheet i.e. September 30, 2020, the following material events have occurred after the last audited period –

1. We have re-designated Mr. Naveen Sharma as Whole Time Director and Mrs. Sonali Sheikh as Whole Time Director and CFO of the Company in the Board Meeting dated November 04, 2020.
2. We have appointed Mr. Ritesh Gupta and Mr. Burhanuddin Ali Husain Maksiwala as Additional Independent Director in the Board Meeting dated November 05, 2020 and further regularised as Independent Director in the Annual General Meeting dated November 11, 2020
3. We have regularised Mrs. Priyanka Dabkara (w/o of Mr. Manish Dabkara) as Non-Executive Director of the Company in the Annual General Meeting dated November 11, 2020
4. The Authorized capital of the company was increased from Rs 5,00,000/- divided into 50,000 Equity Shares of Rs 10/- each to 7,50,00,000/- divided into 75,00,000 Equity Shares of Rs 10/- vide shareholders resolution dated November 11, 2020
5. Our company has allotted bonus issue of 50,00,000 equity shares of face value of Rs 10/- each in the ratio of 100:1 i.e hundred equity share for one equity share held on November 28, 2020.
6. Our Company has formed the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee vide Board Resolution dated November 28, 2020.
7. Our Company has approved the accounts for Financial year ended 2020 at Annual General Meeting dated November 11, 2020
8. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 04, 2020 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on November 11, 2020 pursuant to section 62(1)(c) of the Companies Act.
9. Our Company has approved the accounts for the stub period year ended September 30, 2020 in the Board meeting dated March 03, 2021

CAPITALISATION STATEMENT

(Amt. Rs.in Lacs)

| Particulars | Pre Issue | Post Issue |
|--|------------------|-------------------|
| Borrowings | | |
| Short term debt | 0.79 | 0.79 |
| Long Term Debt | 82.76 | 82.76 |
| Total debts | 83.55 | 83.55 |
| Shareholders' funds | | |
| Equity share capital | 5.00 | * |
| Reserve and surplus - as restated | 1,145.59 | * |
| Total shareholders' funds | 1,150.59 | * |
| Long term debt / shareholders' funds (in Rs.) | 0.07 | * |
| Total debt / shareholders' funds (in Rs.) | 0.07 | * |

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.09.20

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by regulatory or statutory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five financial years, including outstanding action, (IV) claims related to direct and indirect taxes, and (V) other pending litigation which are determined to be material as per the policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoter and Directors, (the "**Relevant Parties**").

For the purpose of (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors and promoter, other than criminal proceedings, statutory or regulatory actions and taxation matters where the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the trade payables for the last audited financial statements.

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

(Amount in Rs. Lakhs)

| Particulars | As at | | | |
|---|--------------|--------------|--------------|--------------|
| | 30-09-2020 | 31-03-2020 | 31-03-2019 | 31-03-2018 |
| Taxation Liabilities (Direct Tax) | 0.24 | 0.24 | 0.24 | 0.24 |
| Other Pending Litigation | 49.86 | 49.86 | 49.86 | 49.86 |
| Guarantees given on Behalf of the Company | 13.37 | 13.89 | 2.53 | 1.33 |
| Total | 63.47 | 63.99 | 52.63 | 51.43 |

PART 2: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

i. Direct Tax

TDS Liability as per Traces

As per TRACES, the following TDS Liabilities of the Company are being shown towards short payment, short deduction and interest thereon u/s 201 and and u/s 220(2) of the Income Tax Act, 1961 which are as follows:-

| Sr. No | Financial Year | Short Payment | Short Deduction | Interest on Payments default u/s 201 | Interest on Deduction default u/s 201 | Interest u/s 220(2) | Total Default |
|--------|----------------|---------------|-----------------|--------------------------------------|---------------------------------------|---------------------|---------------|
| 1 | 2011-12 | 230 | 515 | 6506 | 265 | 78 | 7594 |
| 2 | 2012-13 | | 11962 | | 2380 | | 14342 |
| 3 | 2014-15 | | | 1807 | | 17 | 1824 |
| | Total | 230 | 12477 | 8313 | 2645 | 95 | 23760 |

(a) For Assessment Year 2020-2021

Income Tax Officer, International Taxation & Transfer Pricing, Bhopal has issued letter ITBA/TDS/S/30/2020-21/1028884086(1) dated December 7, 2020 and has initiated proceedings u/s 133(6) against company and has requested company to verify details furnished in Form no. 15CA in view of non-deduction/ lower deduction of tax at source for Financial Year 2019-20 for the payments made to various non-resident entities. The last date of hearing in the matter was December 29, 2020.

(b) For Assessment Year 2019-20

Income Tax Officer, International Taxation & Transfer Pricing, Bhopal has issued letter vide ITBA/TDS/S/30/2020-21/1028881905(1) dated December 7, 2020 and has initiated proceedings u/s 133(6) against company and has requested company to verify details furnished in Form no. 15CA in view of non-deduction/ lower deduction of tax at source for Financial Year 2018-19 for the payments made to various non-resident entities. The last date of hearing in the matter was December 22, 2020.

(I) Indirect Taxes: Central Excise and Customs Act

(a) For Financial Year 2016-17

The Office of Commissioner CGST, Indore has issued letter dated December 8, 2012 against nonpayment of service tax for the year 2016-17 on basis of data received from Income Tax Department, the department has observed that there is difference in service tax payable and service tax paid as per ST-3 return by the company and also service tax paid as per NSDL for the year 2016-17 and has requested to verify the details within one week.

4. Other Pending Litigation

M/s Rajsariya Automotive Industries Pvt. Ltd. v. EKI Energy Services Limited pending before Principal District Judge, Krishnagiri, Tamil Nadu

M/s Rajsariya Automotive Industries Pvt. Ltd. has filed a petition vide O.S. No. 14/2016 on January 29, 2016 under Order VII Rule 1 to 6 and section 151 of the Code of Civil Procedure, 1908 before Principal District Judge, Krishnagiri, Tamil Nadu alleging non-performance of the work order dated May 28, 2012 against the company and has sought repayment of amount paid pursuant to the work order by the plaintiff of Rs. 14,91,579/- through cheques towards the tax invoice issued by the company. The plaintiff has also sought Rs. 24,44,776/- (Rupees Twenty Four Lakh Forty Four Thousand and Seven Hundred Seventy Six Only) towards the losses incurred by the plaintiff due to non-performance by the defendant and Rs. 10,49,412 towards interest i.e. total amounting to Rs. 49,85,767/- and cost to litigation. Subsequently, the defendant filed reply dated September 2019 denying all the allegations of the plaintiff. The matter is pending adjudication and presently the case is at arguments stage. The amount involved in the matter is Rs. 49,85,767/-. The last date of hearing in the matter was March 08, 2021

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

i. Direct Tax

NIL

ii. Indirect Tax

NIL

4. Other Pending Litigation

EKI Energy Services Limited v. S.R.S. Engineers, Nagpur pending before MSME Facilitation Council, Bhopal

Our Company filed an application bearing MSMFC 883/2018 before the MSME Facilitation Council, Bhopal under Section 18 of the Micro, Small and Medium Enterprises Act, 2006 against S.R.S. Engineers for recovery of Rs. 1,58,294/- along with an interest of 18% per annum. The company has provided consultancy services to S.R.S. Engineers for compliance for carbon credit, however, SRS Engineer has failed to make the payment against the said services, hence, the petition. The matter is pending for adjudication. The next date of hearing is matter is still awaited

PART 3: LITIGATION RELATING TO DIRECTORS AND PROMOTER OF OUR COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Disciplinary action including penalty imposed by SEBI/ Stock exchanges against the promoter in the last five financial years including any outstanding action:

NIL

4. Litigation involving Tax Liabilities

i. Direct Tax

NIL

ii. Indirect Tax

NIL

5. Other Pending Litigation

NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

i. Direct Tax Liabilities

NIL

ii. Indirect Tax Liabilities

NIL

4. Other Pending Litigation

NIL

PART 4: LITIGATION RELATING TO OUR GROUP COMPANY

B. LITIGATION AGAINST OUR GROUP COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Disciplinary action including penalty imposed by SEBI/ Stock exchanges against the promoter in the last five financial years including any outstanding action:

NIL

4. Litigation involving Tax Liabilities

Glofix Advisory Services Private Limited

Income Tax Officer, International Taxation & Transfer Pricing, Bhopal ; Show Cause Notice u/s 201/201(1A) for FY:-2017-18 for not withholding of tax u/s 195 of the Act

The Company had received SCN No. ITO/IT&TP/BPL/show cause/2019-2020/3396 dated 21st May, 2019 from Income Tax Officer, International Taxation & Transfer Pricing, Bhopal u/s 201/201(1A) of Income Tax Act, 1961 for FY 2017-18 for not withholding of tax u/s 195 of the Income Tax Act, 1961 for the reason that the payment made to M/s APX Inc. and Markit Group, UK is in nature of Royalty during the FY 2017-18 amounting to Rs. 1,01,47,300/- without withholding deducting the tax of Rs. 11,27,478/-. The proceedings were initiated pursuant to the survey proceedings conducted u/s 133A(2A) on March 03, 2019. The company has replied on January 22, 2020 denying that the payment was in the nature of charges of custodian and registry charges for the VCU being held by the two custodians for the company. The amount under consideration is Rs. 11,27,478/- along with interest and penalty. The matter is pending adjudication.

iii. Indirect Tax

NIL

5. Other Pending Litigation

NIL

C. LITIGATION FILED BY OUR GROUP COMPANY

5. Litigation Involving Criminal Laws

NIL

6. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

7. Litigation involving Tax Liabilities

i. Direct Tax Liabilities

NIL

ii. Indirect Tax Liabilities

NIL

8. Other Pending Litigation

NIL

PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

The Board of Directors of our Company considers dues exceeding 5% of the trade payables for the last audited financial statements to small-scale undertakings and other creditors as material dues for our Company. As on September 30, 2020 there are approximately 6 creditors to whom our Company owes amounts exceeding 5% of our Company's Trade Payables (excluding advance received from trade payables) and the aggregate outstanding dues to them being approximately Rs. 436.15 Lakhs. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not been furnished. Therefore, as on September 30, 2020, our Company owes amounts aggregating to Rs. 868 Lakhs approximately towards Trade Payables (excluding advance received from trade payables) as per Restated Financial Statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company i.e. www.enkingint.org

PART 5: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 185 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

Corporate Approvals:

- a. Our Board, pursuant to its resolution dated November 04, 2020 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the annual general meeting of our Company held on November 11, 2020 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Red Herring Prospectus pursuant to its resolution dated March 10, 2021;

Approval from the Stock Exchange:

- d. In-principle approval dated [●] from the SME Platform of BSE for using the name of the Exchange in the issue/offer documents for listing of the Equity Shares issued by our Company pursuant to the issue.

Agreements with NSDL and CDSL:

- e. the Company has also entered into an agreement dated January 22, 2021 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- f. Similarly, the Company has also entered into an agreement dated January 20, 2021 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- g. ISIN No.: INE0CPR01018

II. Incorporation related Approvals

| Sr No | Nature of Registration/ | CIN | Applicable | Issuing Authority | Date of issue | Date of Expiry |
|-------|-------------------------|-----|------------|-------------------|---------------|----------------|
|-------|-------------------------|-----|------------|-------------------|---------------|----------------|

| | License | | Laws | | | |
|---|--|-----------------------|---------------------|---|--------------|----------------------|
| 1 | Certificate of Incorporation | U74200MP2011PLC025904 | Companies Act, 1956 | Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh | May 03, 2011 | Valid till cancelled |
| 2 | Certificate for Commencement of Business | U74200MP2011PLC025904 | Companies Act, 1956 | Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh | May 06, 2011 | Valid till cancelled |

III. Corporate/General Authorizations:

| Sr. No. | Nature of Registration/License | Registration/License No. | Applicable Laws | Issuing Authority | Date of issue | Date of Expiry |
|---------|---|--------------------------|---|--|--|----------------------|
| 1 | Permanent Account Number | AACCE6986E | Income Tax Act, 1967 | Commissioner of Income Tax | May 21, 2011; last updated on July 08, 2016 | Valid till cancelled |
| 2 | Tax Deduction and Collection Account Number | BPLE00987A | Income Tax Act, 1967 | Income Tax Department | May 20, 2011; last amended on April 28, 2016 | Valid till cancelled |
| 3 | Registration Certificate of Goods & Service Tax (GST) | 23AACCE6986E1ZL | Central Goods and Service Tax Act, 2017 | Government of India | July 18, 2018 effective from July 01, 2017 | Valid till cancelled |
| 6. | Service Tax Registration | AACCE6986ESD001 | Chapter V of Finance Act, 1994 | Central Board of Excise and Customs | June 17, 2011 Last updated on February 19, 2016 | Valid till cancelled |
| 7. | Professional Tax Registration | 78099010095 | Madhya Pradesh Professional Tax Act, 1995 | Commercial Tax Officer, Indore Circle - 15 | September 19, 2011 | Valid till cancelled |

IV. Approvals obtained in relation to business operations of our Company

Our Company requires various approvals and/or licenses to carry on our business. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

| Sr No | Nature of License/Approval | Registration/ License No. | Applicable Laws | Issuing Authority | Date of granting License/ Approval | Validity |
|-------|---|---------------------------|--|-----------------------------------|------------------------------------|----------------------|
| 1. | Certificate of Importer and Exporter Code (IEC) | 1116902176 | The Foreign trade (Development and Regulation) Act, 1992 | Foreign Trade Development Officer | June 21, 2016 | Valid till cancelled |

| | | | | | | |
|----|---|--------------|--|---|-----------------|----------------------|
| 2. | Recognition of HACCP Implementation & Certification Agency | QMC/HACCP/5 | Harmonized Codex General Principles of Food Hygiene and GMPs | Agricultural and Processed Food Products Export Development Authority | August 30, 2019 | August 30, 2022 |
| 3. | Certificate of Accreditation as QMS Consultant Organization | QCO192201 | Bureau of Indian Standards Act, 1986 | Director, National Accreditation Board for Education and Training | June 13, 2019 | April 05, 2022 |
| 4. | Udyog AADHAR in category 'Small' in Services Segment | MP23D0003952 | MSME Development Act, 2006 | Ministry of Micro, Small and Medium Enterprises | May 03, 2011 | Valid till cancelled |

V. Membership obtained in relation to business operations of our Company

| Sr No | Nature of Membership |
|-------|---|
| 1. | Member of IETA (International Emissions Trading Association) vide their letter dated November 09, 2020 |
| 2. | Member as CDP global gold accredited climate change consultancy partner vide their letter dated November 10, 2020 |
| 3. | Member of Confederation of Indian Industry vide membership number W4737P |
| 4. | Obtained ESCO grading ICRA-BEE Grade 3 under the aegis of Bureau of Energy Efficiency, Ministry of Power, Government of India, which indicates 'Good' ability of the graded energy service company to carry out energy efficiency audits and undertake energy efficiency projects. The grading is valid for a period of two years from March 20, 2020 and the grade assigned will not be kept under surveillance. |
| 5. | Obtained LEI number 3358003EFYUBNSUK7A15 from Legal Entity Identifier India Limited valid upto April 17, 2021 |

VI. Labour related Approvals obtained by our Company

| Sr. No. | Nature of Registration/License | Registration/License No. | Applicable Laws | Issuing Authority | Date of issue | Date of Expiry |
|---------|--|--------------------------|---|---|--|----------------------|
| 1 | Registration under Employees' Provident Funds | MP/IND/0023886000 | Employee's Provident Funds & Miscellaneous Provisions Act, 1952 | Assistant Provident Fund Commissioner, Indore | December 23, 2011 Applicable w.e.f. July 01, 2011 | Valid till cancelled |
| 2. | Registration under Employees' State Insurance Corporation (ESIC) | 18000258650000699 | Employees' State Insurance Act, 1948 | Regional Office, Employees State Insurance Corporation, Indore. | February 22, 2017 | Valid till cancelled |
| 3. | Gumastha Certificate for registered office of the company at | C/411082 | M.P. Shop and Establishment Act, 1958 | District Labour Office, Indore | December 14, 2016 | December 31, 2021 |

| | | | | | |
|---|--|--|--|--|--|
| 201, Plot No 48, Scheme No. 78 Part 2, Vijay Nagar, Indore, Madhya Pradesh, 452010 | | | | | |
|---|--|--|--|--|--|

VII. Quality Certifications

| Sr. No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of issue | Date of Expiry |
|---------|---------------------------------|---------------------------|---|--------------------|--------------------|
| 1 | ISO 9001:2015 | Q-911809883 | United Accreditation Foundation (UAF) and Trans Continental Certifications Pvt Ltd. | September 18, 2018 | September 17, 2021 |

Note: ISO 9001:2015 Certificate for providing advisory services to carbon offsets generation projects and National/International management standards implementation, management consulting, audit , training and survey while considering context of the organization & meeting needs and expectation of all interested parties, statutory and regulatory requirements.

VIII. Intellectual property related approvals

The details of trademarks registered used by our Company are:-

| Sr No | Brand Name Logo/ Trademark | Class | Nature of Trademark | Owner | Application Number and Date | Status |
|-------|----------------------------|-------|---|-----------------------------|--|-------------------------|
| 1 | Trademark | 35 | ENKING INTERNATIONAL | EKI Energy Services Limited | App. No. 4481527 Dated: March 24, 2020 | Registered |
| 2 | Trademark | 35 |  | EKI Energy Services Limited | App. No. 4481530 Dated: March 24, 2020 | Accepted and Advertised |
| 3 | Trademark | 35 |  | EKI Energy Services Limited | App. No. 3486350 Dated: February 17, 2017 | Registered |
| 4. | Trademark | 41 | ENKING INTERNATIONAL | EKI Energy Services Limited | App. No. 4481528 Dated: March 24, 2020 | Registered |
| 5. | Trademark | 42 | ENKING INTERNATIONAL | EKI Energy Services Limited | App. No. 4481529 Dated: March 24, 2020 | Registered |

IX. Domain Name registered in the name of the Company:

| Sr. No. | Domain Name and ID | Sponsoring Registrar and IANA ID | Creation Date | Expiry Date |
|---------|--------------------|----------------------------------|---------------|-------------|
|---------|--------------------|----------------------------------|---------------|-------------|

| | | | | |
|----|--|---------------------------------------|-----------------------|--------------------|
| 1. | Domain Name: www.enkingint.org ID: D154163132-LROR | Sponsoring Registrar: IANA ID: 146 | September 20, 2008 | September 20, 2023 |
|----|--|---------------------------------------|-----------------------|--------------------|

X. Approvals applied in relation to business operations of our Company

- Our Company has applied for Class A Electrical Contractor License as required under Madhya Pradesh Anugyapan Mandal (Vidyut) Viniyam 1960 vide Application dated August 17, 2020.

OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated November 28, 2020 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions:-

(i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR)Regulations; and

(ii) Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, the following Company is only identified as our Group Company:-

1. Enking International LLP
2. Glofix Advisory Services Private Limited
3. Absolute Lean Services Private Limited
4. Carbon Neutral Europe OU

The details of our Group Company are provided below:

1. Enking International LLP

Corporate Information -

| | | |
|--------------------------------------|--|------------|
| Brief Description of Business | To carry on the business of formulating, monitoring, implementation, emission of preliminary, carbon credit consulting and trading and detailed audit of projects, process, systems relating to renewable or non-renewable energy, environment, emission saving, equipment wise, energy products, instruments hiring services and to provide business management advisory services, third party audit/inspection/consultancy/training and provide BPO, KPO services to all sectors/ firms and other services in this relation. | |
| Date of Incorporation | August 16, 2019 | |
| LLPIN | AAQ-2611 | |
| PAN | AAHFE9407C | |
| Registered Office | 201, 1 st Floor, Plot No. 48, Scheme No. 78/2, near brilliant convention centre, vijay nagar, indore, Madhya Pradesh -452001, India | |
| Designated Partners | Name of Directors | DIN |
| | Mr.Manish Kumar Dabkara | 03496566 |
| | Mr. Naveen Sharma | 07351558 |
| | Mrs. Sonali Sheikh | 08219665 |
| | <i>(Rs. in Lacs, rounded off except per share data)</i> | |
| Audited Financial Information | For The Year Ended | |
| | March 31, 2020 | |
| Partners Capital Account | 1.00 | |
| Sales | 0.502 | |
| Profit/ (Loss) after tax | 0.0536 | |

Note: The LLP was formed on August 16, 2019, and the 1st financial statements have been prepared for FY 2019-20

The Shareholding Pattern of Enking International LLP as on the date of this Draft Red Herring Prospectus is as mentioned below:-

| Sr. No. | Name of Shareholders | Capital Contribution | % Percentage |
|---------|-------------------------|----------------------|---------------|
| 1. | Mr.Manish Kumar Dabkara | 89,000 | 89 |
| 2. | Mr. Naveen Sharma | 10,000 | 10 |
| 3. | Mrs. Sonali Sheikh | 1,000 | 1 |
| | Total | 1,00,000 | 100.00 |

Nature and extent of interest of our Promoter

Our Promoter Mr. Manish Kumar Dabkara is the designated partner of Enking International Limited Liability Partnership and is interested to the extent of his capital contribution.

Enking International LLP does not have a negative net-worth in the immediately preceding year. It has not become a sick entity under the meaning of SICA or Insolvency and Bankruptcy Code, 2016 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the LLP.

2. Glofix Advisory Services Private Limited

Corporate Information -

| | | | |
|--|--|-----------------------|-----------------------|
| Brief Discription of Business | Engaged in the business of formulating, monitoring, implementation, emission of preliminary, detailed and audit of projects, plant, processes, systems relating to renewable or non-renewable energy environment, emission saving, equipment wise, energy products, instrument hiring services and to provide Business Management Advisory Services, Third Party Audit / Inspection/ Consultancy/ Training for the same. | | |
| Date of Incorporation | November 21, 2016 | | |
| CIN | U74999MP2016PTC041863 | | |
| PAN | AAGCG6026R | | |
| Registered Office | F-101, 48 Scheme No. 78, Part II, Indore, Madhya Pradesh, India-452001 | | |
| Board of Directors* | Name of Directors | DIN | |
| | Mr. Manish Kumar Dabkara | 03496566 | |
| | Mr.Naveen Sharma | 07351558 | |
| | Mrs. Sonali Sheikh | 08219665 | |
| | Mrs. Priyanka Dabkara | 08634736 | |
| | <i>(Rs. in Lacs, rounded off except per share data)</i> | | |
| Audited Financial Information | For The Year Ended | | |
| | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Equity Share Capital | 10.00 | 10.00 | 10.00 |
| Reserves and Surplus | 68.56 | 29.21 | 15.13 |
| Sales | 1000.09 | 408.51 | 379.46 |
| Profit/ (Loss) after tax | 39.36 | 14.07 | 12.57 |
| Basic Earnings per share (face value of Rs. 10 each) (based on Weighted Average number of Shares) | 39.36 | 14.07 | 12.57 |
| Diluted Earnings per share (face value of Rs. 10 each) (based on Weighted Average | 39.36 | 14.07 | 12.57 |

| | | | |
|--|-------|-------|-------|
| number of Shares) | | | |
| Net asset value per share (Rs) (based on Actual Number of Shares) | 78.56 | 39.21 | 25.13 |

**As on date of this Draft Red Herring Prospectus*

Significant notes of the auditors on Financial Statements for the financial year ended 31stMarch 2018, 31stMarch 2019 & 31stMarch 2020:- NIL

The shareholding pattern of Glofix Advisory Services Private Limited as on the date of this Draft Red Herring Prospectus is as mentioned below:-

| Sr. No. | Name of Shareholders | No. of shares | % Percentage |
|----------------|-----------------------------|----------------------|-------------------------|
| 1 | Manish Kumar Dabkara | 56,000 | 56 |
| 2 | Naveen Sharma | 22,000 | 22 |
| 3 | Sonali Sheikh | 22,000 | 22 |
| | Total | 1,00,000 | 100 |

Nature and extent of interest of our Promoter

Our Promoter Mr. Manish Kumar Dabkara is interested to the extent of his shareholding.

Glofix Advisory Services Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA or Insolvency and Bankruptcy Code, 2016 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

3. Absolute Lean Services Private Limited

Corporate Information -

| | |
|--------------------------------------|---|
| Brief Discription of Business | Engaged in the business of formulating, monitoring, implementation, emission of preliminary, detailed and audit of projects, plant, processes, systems relating to renewable or non-renewable energy environment, emission saving, equipment wise, energy products, instrument hiring services and to provide Business Management Advisory Services, Third Party Audit / Inspection/ Consultancy/ Training for the same and also provide assistance in performance of contracting for implementation, energy, conservation, environment, emission projects with vendors and also provide soft loan syndication services, basic and detailed engineering services for tailor made energy, conservation, environment, emission projects and also grant consultancy, facilitation services for emission trade, carbon credit, white certificate, green certificate, corporate energy planning, energy costing, recommendation of energy mix, purchase policy for optimum energy cost, technology sourcing, policy studies, capacity building and customize training package, safety and maintainance audits and also provide consutancy and training services, BPO and KPO services for corporate, business, firms, institutions and government for promotion and adotion of renewable energy applications related to clean, green and efficient solution to global energy issues, green bilding, cleaner production, energy, carbon & |
|--------------------------------------|---|

| | | | |
|--|---|-----------------------|-----------------------|
| | environment management system and also act as single window services provider for harnessing global opportunities in the trade of emission reduction. | | |
| Date of Incorporation | January 16, 2017 | | |
| CIN | U74999MP2017PTC042226 | | |
| PAN | AAPCA0984M | | |
| Registered Office | 162, Teachers' Colony, Neemuch, Neemuch, Madhya Pradesh, India, 458441 | | |
| Board of Directors* | Name of Directors | DIN | |
| | Mr. Kingshuk Das | 07676631 | |
| | Mr. Maruti Nandan Dhanotiya | 7689626 | |
| | <i>(Rs. in Lacs, rounded off except per share data)</i> | | |
| Audited Financial Information | For The Year Ended | | |
| | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Equity Share Capital | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus | 0.82 | 0.47 | 0.25 |
| Sales | 5.9 | 4.12 | 4.02 |
| Profit/ (Loss) after tax | 0.35 | 0.21 | 0.23 |
| Basic Earnings per share (face value of Rs. 10 each) (based on Weighted Average number of Shares) | 3.48 | 2.15 | 2.28 |
| Diluted Earnings per share (face value of Rs. 10 each) (based on Weighted Average number of Shares) | 3.48 | 2.15 | 2.28 |
| Net asset value per share (Rs) (based on Actual Number of Shares) | 18.2 | 14.7 | 12.5 |

*As on date of this Draft Red Herring Prospectus

Significant notes of the auditors on Financial Statements for the financial year ended 31stMarch 2018, 31stMarch 2019 & 31stMarch 2020:- NIL

The shareholding pattern of Absolute Lean Services Private Limited as on the date of this Draft Red Herring Prospectus is as mentioned below:-

| Sr. No. | Name of Shareholders | No. of shares | % Percentage |
|---------|-------------------------|---------------|-----------------|
| 1 | Kingsuk Das | 6,000 | 60 |
| 2 | Maruti Nandan Dhanotiya | 4,000 | 40 |
| | Total | 10,000 | 100 |

Nature and extent of interest of our Promoter

Our Promoter Mr. Manish Kumar Dabkara is interested to the extent of shareholding of his relatives

Absolute Lean Services Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA or Insolvency and Bankruptcy Code, 2016 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

4. Carbon Neutral Europe OU

Corporate Information -

| | |
|--------------------------------------|--|
| Brief Description of Business | Engaged in the Business of Management Advisory & |
|--------------------------------------|--|

| | | |
|--|--|-------------------------------|
| | Trading Services (GHG Program (CDM, VCS, GS & IREC Advisory Services) Carbon Credits Trading Carbon Footprinting Services, Carbon Neutrality Services, International ISO Standards). | |
| Place of Incorporation | Estonia | |
| Date of Incorporation | January 08, 2019 | |
| Registry Code | 14638083 | |
| Location of management board is India | Harju country Tallinn, Kesklinna district, Ahtri tn 12, 10151 | |
| Board of Directors* | Name of Directors | Estonian identity code |
| | Mr. Manish Kumar Dabkara | 38408100131 |
| Share Capital | 2500 Euro, established without deposit. | |

Note: The company has not prepared the financial statements for any of its previous years.

The shareholding pattern of Carbon Neutral Europe as on the date of this Draft Red Herring Prospectus is as mentioned below:-

| Sr. No. | Name of Shareholders | % Percentage |
|---------|--------------------------|--------------|
| 1 | Mr. Manish Kumar Dabkara | 100 |
| | Total | 100 |

Nature and extent of interest of our Promoter

Our Promoter Mr. Manish Kumar Dabkara is interested to the extent of his shareholding.

Carbon Neutral Europe is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding years. The company is under winding up and is in the process of liquidation.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Loss Making Company

None of our Group Companies are loss making companies.

Negative Net-worth Company

The group company determined by our Board does not have a Negative Net-worth.

Litigations

Except as disclosed in the chapter “**Outstanding Litigation And Material Developments**” our Group Companies do not have any pending litigation which will have material impact on our Company. For details of outstanding litigations having material impact please refer section titled “**Outstanding Litigation And Material Developments**” beginning on page no 193 of this Draft Red Herring prospectus.

Common Pursuits/Conflict of Interest

Our Group Companies, Enking International LLP, Glofix Advisory Services Private Limited, Absolute Lean Services Private Limited and Carbon Neutral Europe OU are engaged in the similar line of business as our Company.

As on the date of this Draft Red Herring Prospectus, we cannot assure that our Promoter, Promoter Group/Group Entities will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Defunct / Strike-off Company

Except for Carbon Neutral Europe OU incorporated in Estonia, which has applied for liquidations, none of our Group Companies incorporated in India have not remained defunct and no application has been made to the RoC for striking off the name of any of our Group Companies during the five years preceding the date of this Draft Red Herring Prospectus.

Undertaking / confirmations

None of our Promoter or Promoter Group or Group Companies or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoter, person in control of our Company or our Group Companies have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the relatives of our individual Promoter (as defined under the Companies Act) nor our Group Companies /Promoter Group entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on November 04, 2020 and our Shareholders have approved the Fresh Issue pursuant to the resolution passed at their meeting held on November 11, 2020 under Section 62(1)(c) of the Companies Act, 2013.

In-principal Approval

Our Company has obtained in-principal approval from the SME Platform of BSE for using its name in the Draft Offer Document/ Offer Document pursuant to an approval letter dated February 03, 2021 BSE which is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

We confirm that our Company, our Promoter, our Promoter Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoter or directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

Prohibition with respect to wilful defaulters

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulters as defined by the SEBI ICDR Regulations, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Red Herring Prospectus, there are no such significant beneficial owners in our Company.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Offer in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less or equal to ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE").

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and

that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 57 of this Draft Red Herring Prospectus.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.

3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Red Herring Prospectus/ Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Offer Document/ Offer Document.

4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Issue**" beginning on page 58 of this Draft Red Herring Prospectus.

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 Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities and has entered into an agreement with both the depositories.
2. Our Company has a website i.e. www.enkingint.org

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:-

3. There has been no change in the promoter's of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE (BSE SME Platform):-

Our Company was incorporated as EKI Energy Services Limited, a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh on May 03, 2011.

1. The post issue paid up capital of the company will be 68,74,000 shares of face value of Rs.10/- aggregating up to Rs. 687.4 lakhs which is less than Rs. 25 Crores.
2. The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
3. The Company has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on September 30, 2020 is positive.

(In Rs. Lacs)

| Particular | Period ending September 30, 2020 | | Year ending March 31, 2020 | Year ending March 31, 2019 |
|------------|----------------------------------|--|----------------------------|----------------------------|
| Net worth | 1150.59 | | 612.02 | 164.57 |

| | | | | |
|--------------------------------------|----------|--|--------|--------|
| Earnings before depreciation and tax | 743.48 | | 618.58 | 86.45 |
| Net Tangible Assets | 1,247.13 | | 709.94 | 168.96 |

4. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
6. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. 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

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT / OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 10, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR), REGULATION 2018.

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Hem Securities Limited:

| Sr. No. | Issue name | Issue size (Rs in Cr.) | Issue Price (Rs.) | Listing date | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing |
|---------|----------------------------------|------------------------|-------------------|-------------------|-------------------------------|--|--|---|
| 1. | Parin Furniture Limited | 18.90 | 63.00 | October 09, 2018 | 64.00 | 0.79% [2.75%] | 7.30% [4.57%] | 8.65% [13.25%] |
| 2. | Kritika Wires Limited | 15.3984 | 32.00 | October 10, 2018 | 34.10 | 9.38% [1.20%] | 28.75% [4.57%] | 3.13% [10.94%] |
| 3. | Mindpool Technologies Limited | 3.6 | 30 | February 28, 2019 | 30 | -28.00% [8.12%] | -38.17% [9.90%] | -34.00% [3.00%] |
| 4. | V R Films Limited | 2.27 | 61 | April 30, 2019 | 62.00 | 13.03% [2.05%] | 195% [-5.00%] | 113.52% [0.56%] |
| 5. | Evans Electric Limited | 1.93 | 52 | May 13, 2019 | 52.20 | 188.46 % [7.19%] | 299% [-2.00%] | 232.95% [8.25%] |
| 6. | Earum Pharmaceuticals Limited | 6.6528 | 36 | July 04, 2019 | 36.00 | 25.00% [-9.00%] | -16.67% [-4.51%] | 20.41% [3.50%] |
| 7. | Gian Life Care Limited | 3.1152 | 22.00 | January 13, 2020 | 22.00 | -36.36% [-0.70%] | -40.00% [-27.42%] | 17.27% [-13.21%] |
| 8. | Hindprakash Industries Limited | 11.52 | 40.00 | January 27, 2020 | 41.00 | 2.50% [-3.64%] | 0.50% [-23.41%] | 6.54% [-7.32%] |
| 9. | SM Auto Stamplng Limited | 6.912 | 18.00 | March 16, 2020 | 18.00 | 0.00% [-3.22%] | -5.56% [5.86%] | -32.78% [24.05%] |
| 10. | Suratwala Business Group Limited | 6.90 | 15.00 | August 13, 2020 | 15.45 | 6.67% [1.38%] | 46.67% [13.79%] | 210.00% [33.98%] |

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

Summary statement of Disclosure:

| Financial Year | Total no. of IPOs | Total amount of funds raised (Rs. Cr.) | No. of IPOs trading at discount- 30 th days from listing | | | No. of IPOs trading at Premium- 30 th days from listing | | | No. of IPOs trading at discount- 180 th days from listing | | | No. of IPOs trading at Premium- 180 th days from listing | | |
|----------------|-------------------|--|---|-----------------|----------------|--|-----------------|----------------|--|-----------------|----------------|---|-----------------|----------------|
| | | | Over 50 % | Between 25-50 % | Less than 25 % | Over 50 % | Between 25-50 % | Less than 25 % | Over 50 % | Between 25-50 % | Less than 25 % | Over 50 % | Between 25-50 % | Less than 25 % |
| 2017-18 | 16 ⁽¹⁾ | 234.21 | - | 1 | 4 | 6 | 2 | 3 | - | 2 | 3 | 5 | 3 | 3 |
| 2018-19 | 5 ⁽²⁾ | 71.205 | - | 1 | 1 | - | - | 3 | - | 1 | - | - | - | 3 |

| | | | | | | | | | | | | | | |
|---------|------------------|-------|---|---|---|---|---|---|---|---|---|---|---|---|
| 2019-20 | 6 ⁽³⁾ | 32.40 | - | 1 | - | 1 | - | 4 | - | 1 | - | 2 | - | 3 |
| 2020-21 | 1 ⁽⁴⁾ | 6.90 | - | - | - | - | - | 1 | - | - | - | 1 | - | - |

(1) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited, ANI Integrated Services Limited, Dynamic Cables Limited, Vasa Retail and Overseas Limited, Hindcon Chemicals Limited and Tara Chand Logistic Solutions Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018, March 09, 2018 and March 23, 2018 respectively.

(2) The scrip of Dhruv Consultancy Services Limited and Sonam Clock Limited were listed on May 10, 2018 and June 14, 2018. Parin Furniture Limited, Kritika Wires Limited and Mindpool Technologies Limited was listed on October 09, 2018, October 10, 2018 and February 28, 2019 respectively. Further, the scrip Mindpool Technologies Limited has not completed its 180 day from the date of its listing.

(3) The scrip of V R Films Limited, Evans Electric Limited and Gian life Care Limited was listed on April 30, 2019, May 13, 2019 and January 13, 2020 respectively and has completed its 180th day from the date of its listing. Further, the scrip of Hindprakash Industries Limited and SM Auto Stamping Limited was listed on January 27, 2020 and March 16, 2020 has also completed its 180th day from the date of its listing.

(4) The scrip of Suratwala Business Group Limited was listed on August 13, 2020 and has completed its 180th day from the date of its listing.

Note:

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

Track Record of past issues handled by Hem Securities Limited

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: www.hemsecurities.com.

Disclaimer from our Company and the Book Running Lead Manager

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Hem securities Limited), and our Company on December 10, 2020 and addendum thereon dated March 08, 2021 and the Underwriting Agreement dated [•] entered into between the Underwriter(s), and our Company and the Market Making Agreement dated January 25, 2021 and addendum thereon dated March 09, 2021 entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

Note

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs.2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Indore, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE Limited

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and

shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI (ICDR) Regulations, 2018. However, pursuant to Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a soft copy of Draft Red Herring Prospectus shall be furnished to SEBI.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus/Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to Registrar of Companies, Gwalior, 3rd Floor, "A" Block, Sanjay Complex Jayendra Ganj, Gwalior.

Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE Ltd by way of its letter dated [●] for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, all moneys received from the Bidders in pursuance of this Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from bidders, failing which interest shall be due to be paid to the bidders at the rate of 15% per annum for the delayed period.

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 to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Syndicate Member(s), Registrar to the Issue, Banker to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter(s) to the Issue* and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. D.N. Jhamb & Company, Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Offer document/ Offer document in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Experts Opinion

Except for the reports in the section titled “*Financial Statements and “Statement of Tax Benefits”*” on page 144 and 84 respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Fees, Brokerage and Selling Commission payable

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated December 10, 2020 and addendum thereon dated March 08, 2021 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated [●] with the Underwriters and (iii) the Market Making Agreement dated January 25, 2021 and addendum thereon dated March 09, 2021 with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00am to 5.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated December 18, 2020 and addendum thereon dated March 09, 2021 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to the section titled "*Capital Structure*" beginning on page 61 of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Previous capital issue during the last three years by listed Group Companies of our Company

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

Performance vis-à-vis objects

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

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.

Investor Grievances and Redressal System

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Itisha Sahu, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Itisha Sahu

201, Plot No. 48., Scheme No. 78, Part-II, Vijay Nagar
(Near Brilliant Convention Centre) Indore, Mp-452010
Tel. No: 0731-4289086
E-mail: cs@enkingint.org
Website: www.enkingint.org

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Our Board by a resolution on November 28, 2020 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 125 of this Draft Red Herring Prospectus.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Tax Benefits*" beginning on page 84

Capitalization of Reserves or Profits

Save and except as stated in "*Capital Structure*" on page 61 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on page 125 and 173 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Offer document/ Offer document, Bid Cum Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. 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 shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid Cum Application Forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of upto 18,24,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 04, 2020 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on November 11, 2020 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to "*Main Provisions of Articles of Association of the Company*" on page 263 of the Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "*Dividend Policy*" on page 143 of the Draft Red Herring Prospectus.

Face Value and Issue Price, Floor Price & Price Band

The Equity Shares having a Face Value of Rs.10.00 each and the Issue Price at the lower end of Price Band is Rs.[●] per Equity Share and at the higher end of Price Band is Rs.[●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The price band and the minimum lot size for the issue will be decided by our company in consultation with the BRLM and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Indore Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two working days prior to Bid/Issue opening date and shall be made available to stock exchange for the purpose of uploading the same on their website. The price band along with relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum Application forms available on the website of stock exchange.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & Notices to members
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Main Provisions of Articles of Association of the Company*” beginning on page 263 of the Draft Red Herring Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated January 20, 2021 between NSDL, our Company and Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited and
- Tripartite Agreement dated January 22, 2021 between CDSL, our Company and Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE SME from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

The minimum number of allottees in the issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this issue and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

Bid/Issue Program:

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

(1) Our Company in consultation with the Book Running Lead Managers, may consider participation by Anchor

Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

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

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

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public 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 Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, 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 Applicant, 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 and at the terminals of syndicate members.

Minimum Subscription and Underwriting

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 issue document including devolvement of Underwriter within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the

amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page 57 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this issue are proposed to be listed on the BSE SME, wherein the Book Running Lead Manager to this issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the BSE SME.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled “**General Information - Details of the Market Making Arrangements for this issue**” on page 58 of this Draft Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME.

As per the extent Guideline of the Government of India, OCBs cannot participate in this issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, 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.

Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be

in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for (i) lock-in of the Pre- issue Equity Shares (ii) the minimum Promoter's contribution (iii) Anchor investor lock-in pursuant to the issue as detailed under section titled "**Capital Structure**" beginning on page 61 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 263 of this Draft Red Herring Prospectus.

Pre-issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and (iii) Indore edition of Regional Newspaper, [●] each with wide circulation. 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 ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

The above information is given for the benefit of the Applicants. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

Jurisdiction

Exclusive jurisdiction for the purpose of this issue is with the competent courts / authorities in Indore, 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, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued or sold outside the United States in compliance with Regulation under the Securities Act and the applicable laws of the jurisdictions where those Issue 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.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 220 and 230 of this Draft Red Herring Prospectus.

The Issue comprises of a Public Issue of upto 18,24,000 Equity Shares of Face Value of 10/- each fully paid (The "Equity Shares") for cash at a price of Rs. [●] per Equity Shares (including a premium of Rs. [●] per equity share) aggregating to [●] Lakhs ("the issue") by our Company of which 96,000 Equity Shares of Rs.10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 17,28,000 Equity Shares of Rs.10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.53% and 25.14% respectively of the post issue paid up Equity Share Capital of the Company.

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|--|----------------------------------|---|------------------------------------|------------------------------------|
| Number of Equity Shares available for allocation | Upto 96,000 Equity Shares | Not more than [●] Equity Shares | Not less than [●] Equity Shares | Not less than [●] Equity Shares |
| Percentage of Issue Size available for allocation | 5.26% of the Issue Size | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Net Issue | Not less than 35% of the Net Issue |
| Basis of Allotment ⁽³⁾ | Firm Allotment | Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for | Proportionate | Proportionate |

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|---|---|--|--|--|
| | | <p>allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p> | | |
| Mode of Allotment | Compulsorily in dematerialized form. | | | |
| Minimum Bid Size | 96,000 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 and in multiples of [●] Equity Shares thereafter |
| Maximum Bid Size | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |
| Trading Lot | [●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof |
| Terms of Payment | <p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through</p> | | | |

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|---|--|---------------------|-----------------------------|-----------------------------|
| | the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form | | | |
| Mode of Bid | Only through the ASBA process (except for Anchor Investors) | | | |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- 1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “*Issue Procedure - Bids by FPIs*” on pages 240 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registering of the Prospectus with the ROC.

Issue Program:

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

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

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular applicant, the details as per physical Bid Cum Application Form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Bidders should 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 and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint Bidders/Applications in cases of individual, multiple Bid cum Applications and instances when a Bid cum Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

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 BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and BRLM would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 this Draft Red Herring Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Amount along with the Bid cum Application Form.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days 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 Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: *This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have 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 would continue to be six Working Days.*

Phase II: *This phase commenced on completion of Phase I and will continue till March 31, 2020. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor 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.*

Phase III: *Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.*

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a 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 Bidders into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein no reservation is being made for Qualified Institutional Buyers and the allocation to the public will be made as per Regulation 253 of the SEBI ICDR Regulations.

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

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum

Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Bid cum Application Form

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 the Stock Exchange, the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue shall have to use UPI payment mechanism for application. The bid cum application form submitted by Non Retail Individual Investors (without using UPI), NIIs and QIBs must provide bidder's bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form. Further, Retail Individual Investors submitting bid cum application form using UPI shall mention the UPI of the his/her own Bank account in the bid cum application form in the relevant space and the Bid cum Application Forms that do not contain such details are liable to be rejected.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category | Colour* |
|--|----------------|
| Anchor Investor** | White |
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA) | White |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue |

*Excluding Electronic Bid cum Application Form

** Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid cum Bid Cum Application Forms to respective SCSBs where the Bidder 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 bid details 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 Applicant and the price and the number of Equity Shares that the Applicants 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 Bid Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Bid.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

| Sr. No. | Designated Intermediaries |
|---------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’) |
| 4. | A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the bid cum application form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|--|---|
| For Applications submitted by Investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the bid cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

Availability of Red Herring Prospectus and Bid cum Application Forms

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic

copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date. Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

Who can Bid

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. 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;
4. Mutual Funds registered with SEBI
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. 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);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. 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;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. 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;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws;

As per the existing regulations, OCBs cannot participate in this Offer.

In addition to the category of Bidders set forth above, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. 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.

2. For Other than Retail Individual 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 Bid/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 BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. 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

a) 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 Indore Edition of Regional newspaper [●] 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.

b) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Indore Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.

c) 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.

d) 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.

e) 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”.

f) 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

g) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

h) 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 230

i) 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.

j) 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.

k) 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.

l) 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 Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

(a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

(b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

(e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

1. Our Company and the Book Running Lead Manager shall declare the Bid/Issue Opening Date and Bid/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 Bid/Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant 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. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Applicants 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 Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Applicants 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 Applicants.
10. The Applicants 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.

PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND 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.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
1. Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
 5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
 6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
 7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
 8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
 9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
 10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
 11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
 12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
 13. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

BIDS BY ELIGIBLE NRI'S:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

BIDS BY FPI INCLUDING FII'S:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

BIDS BY MUTUAL FUNDS:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

BIDS BY LIMITED LIABILITY PARTNERSHIPS:

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES:

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY:

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent

investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS / PENSION FUNDS:

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY:

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSB'S:

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Applicants 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 Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism

The applicants shall specify the bank account number in their 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 Applicants 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 Applicant, 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 Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer 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: — “EKI Energy Services Limited IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: — “EKI Energy Services Limited IPO – Anchor Account- NR”
- 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 Offer 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 Bid/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 Applicants, 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
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Bid/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 Applicants, 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 Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);

- DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - 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 an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
 9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
 10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
 11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
 12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 13. The Designated Intermediaries will be given time till 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 Up of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

Withdrawal of Bids

a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.

b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

c) Under-subscription in any category (except QIB Category) is allowed to be met with spill over 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 undersubscription applicable to the Issuer, Bidders may refer to the RHP.

e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| 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 Registering of Red Herring Prospectus/Prospectus with ROC

- 1) Our company has entered into an Underwriting Agreement dated [●]

- 2) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

Pre-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 (iii) Indore Edition of Regional Newspaper, [●] each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS:

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the

- Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
 13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining 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;
 14. Ensure that the Demographic Details are updated, true and correct in all respects;
 15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
 16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
 17. Ensure that the category and the investor status is indicated;
 18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
 19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
 20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
 21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
 22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
 23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
 24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
 25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
 26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
 27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

28. Do not Bid for lower than the minimum Bid size;
29. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
30. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
31. Do not send Bid cum Application Forms by post; instead submit the same to the Designated

- Intermediary only;
32. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
 33. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
 34. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
 35. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
 36. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
 37. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
 38. Do not submit the General Index Register number instead of the PAN;
 39. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
 40. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
 41. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
 42. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
 43. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other instructions for the Bidders

Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-issue or post issue related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

Submission of Bids

(a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.

(b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

GROUNDS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an 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. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The 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 Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●]Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.

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- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
 - 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.
 - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.
- d. **ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**
- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the SME Platform of BSE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - 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.
- d) 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.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] 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 BSE Limited.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants 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 Applicants 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 Applicant.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Bid/Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

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 Issue Bid/Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from 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

Applicant'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.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the 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, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants 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 Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

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 Applicant, Bid Cum Application Form number, Applicants 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 BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Bid/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 6 (Six) days of the Bid/Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Bid/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.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the 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;
- 5) That our Promoter 's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay

beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
- 2) details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- 3) details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- 4) Our Company shall comply with the requirements of the SEBI Listing Regulations 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 all the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated January 20, 2021 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated January 22, 2021 between CDSL, our Company and previous Registrar CDSL Ventures Limited. Our Company will enter into a fresh tripartite agreement with our current Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited and CDSL

The Company's equity shares bear an ISIN No. INE0CPR01018

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfillment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- 1) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
 - a. the requisite approval of the Government has been obtained; and
 - b. the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- 2) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- 3) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
 - a. The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
 - b. The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- 4) where the investee company is in the financial sector provided that:
 - a. Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
 - b. The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the

capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, 2018, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in these Articles of Associations were adopted pursuant to members resolution passed at the Annual General Meeting held on November 11, 2020 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Associations of the Company.

INTERPRETATION

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:
 - i. **“The Act”** means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.
 - ii. **“Articles”** means Articles of Association of the Company as originally framed or altered from time to time
 - iii. **“Beneficial Owner”** shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
 - iv. **“Board” or “Board of Director”** means the Collective body of the Board of Directors of the Company.
 - v. **“Chairman”** means the Chairman of the Board of the Directors of the Company.
 - vi. **“The Company”** means EKI Energy Services Limited
 - vii. **“Depositories Act, 1996”** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
 - viii. **“Depository”** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
 - ix. **“Directors”** mean the Directors for the time being of the Company.
 - x. **“Dividend”** includes any interim dividend.
 - xi. **“Document”** means a document as defined in Section 2 (36) of the Companies Act, 2013.
 - xii. **“Equity Share Capital”**, with reference to any Company limited by shares, means all share capital which is not preference share capital;
 - xiii. **“KMP”** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
 - xiv. **“Managing Director”** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
 - xv. **“Month”** means Calendar month.
 - xvi. **“Office”** means the registered office for the time being of the Company.
 - xvii. **“Paid-up share capital”** or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
 - xviii. **“Postal Ballot”** means voting by post or through any electronic mode.
 - xix. **“Proxy”** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
 - xx. **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
 - xxi. **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
 - xxii. **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
 - xxiii. **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
 - xxiv. **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts

(Regulation) Act, 1956 (42 of 1956)

- xxv. **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
- xxvi. **“Seal”** means the common seal of the Company.
- xxvii. **“Preference Share Capital”**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
 - (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
 - (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

Share Capital

- 2. The Authorized Share Capital of the Company shall be such amount 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 and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
- 3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

Issue of Sweat Equity Shares

- 4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

Issue of Debentures

- 5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Issue of Share Certificates

- 6.
 - 1. 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 fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—

1. one certificate for all his shares without payment of any charges; or
 2. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.
2. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
 3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 4. 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.
 7. 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.
 8. 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.
 9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

Power to pay Commission In connection with the Securities issued

10.
 1. 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.
 2. 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.
 3. 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.

Variations of Shareholder's rights

11.
 1. 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.
 2. 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.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Issue of Preference Shares

13. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of Special 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.

Further Issue of shares

14. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:

(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.

(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

Lien

15. 1. The Company shall have a first and paramount lien—
- on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;
 - Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

2. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
16. 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.
- 17.
- 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.
- 18.
- 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.

Joint Holdings

19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
- a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.
 - b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
 - c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
 - d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
 - e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
 - f)
 - (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.
 - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
 - g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

Calls on shares

- 20.
- 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 by way 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 shares 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.
21. 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.
 22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
 23.
 1. 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.
 2. The Board shall be at liberty to waive payment of any such interest wholly or in part.
 24.
 - 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
 - iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
 25. The Board—
 - i. 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
 - ii. 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.
 26. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.
 27. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.
 28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transfer of shares

29.
 - i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
 - ii. Each share in the Company shall be distinguished by its appropriate number.

- iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.
- 30.
- 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 share until the name of the transferee is entered in the register of members in respect thereof.
31. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-
- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - ii. any transfer of shares on which the Company has a lien.
- iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares 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.
32. The Board shall decline to recognise any instrument of transfer unless—
- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - ii. 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 the instrument of transfer is in respect of only one class of shares.
- Provided that, transfer of shares in whatever lot shall not be refused.
- iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
 - iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;
 - v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
33. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay
34. 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
35. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

Register of Transfers

36. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

Dematerialization of Securities

37.

1. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

1. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

2. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

3. Securities in Depository to be in fungible form:-

- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

4. Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

5. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

6. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

2. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

3. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

4. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

5. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

6. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and

dematerialised forms in any media as may be permitted by law including in any form of electronic media.

7. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Transmission of shares

- 38.
- 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.

- 39.
- 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.

- 40.
- 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.

41. 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.

42. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.

Forfeiture of shares

43. 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.
44. The notice aforesaid shall—
- i. 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
 - ii. 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.
45. 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.
- 46.
- 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.
- 47.
- 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.
 - 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.
- 48.
- 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 transfer of the shares in favour of the person to whom the share is sold or disposed off;
 - 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.
49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

52. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Initial payment not to preclude forfeiture

55. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor 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 proceeding to enforce forfeiture of such shares as hereinafter provided.

Alteration of capital

56. 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.
57. Subject to the provisions of section 61, the Company may, by ordinary resolution,—
 - i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Conversion of Shares into Stock

58. Where shares are converted into stock,—
 - i. 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 that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction of Capital

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- i. its share capital;
 - ii. any capital redemption reserve account; or
 - iii. Any share premium account.

Share Warrants

60. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (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 of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in 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 days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member 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.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

Capitalisation of profits

- 61.
- i. 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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
 1. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 2. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
 3. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

4. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 5. The Board shall give effect to the resolution passed by the Company in pursuance of this - regulation.
- iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.
- 62.
- 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 to 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 infractions; 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.

Buy-back of shares

63. 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 Meeting

64. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
- 65.
1. The Board may, whenever it thinks fit, call an extraordinary general meeting.
 2. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.
 3. 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

- 66.
1. 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.
 2.
 - i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.

- ii. In any other case, the quorum shall be decided as under:
- 1) 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;
 - 2) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
67. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
68. 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.
69. 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.
70. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
71. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

- 72.
- i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
 - ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

- 73.
- i. A poll demanded on a question of adjournment shall be taken forthwith.
 - ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Adjournment of meeting

- 74.
- 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.

Voting rights

75. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- i. on a show of hands, every member present in person shall have one vote; and
 - ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
76. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 77.
- 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.
78. 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.
79. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
80. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
81. 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.
- 82.
- 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.
83. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Casting Vote

84. 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 casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

85. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Circulation of member's resolution

86. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

Resolution requiring special notice

87. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

88. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

89. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

- 90.
- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
 - ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
 - A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
 - C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
 1. the names of the Directors present at the meetings, and
 2. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
3. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - a. is or could reasonably be regarded, as defamatory of any person
 - b. is irrelevant or immaterial to the proceedings; or
 - c. in detrimental to the interests of the Company.
 4. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

91. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

Publication of reports of proceeding of general meetings

92. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Proxy

93. 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.
94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
95. 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

96. The present directors of the Company shall be:
1. **Mr. Manish Kumar Dabkara**
 2. **Mr. Naveen Sharma**
 3. **Mrs. Sonali Sheikh**
 4. **Mrs. Priyanka Dabkara**
 5. **Mr. Ritesh Gupta**
 6. **Mr. Burhanuddin Ali Husain Maksi Wala**
97. The Directors need not hold any “Qualification Share(s)”.
98. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.

- 99.
1. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
 2. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—
 1. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 2. in connection with the business of the company.
100. The Board may pay all expenses incurred in getting up and registering the company.
101. 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.
102. 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.
103. 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.
- 104.
- 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.

Retirement and Rotation of Directors

105. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
106. The remaining Directors shall be appointed in accordance with the provisions of the Act.
107. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
108. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
109. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.

110. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Nominee Director

111. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
112. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
113. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
114. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.
- Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.
115. Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

Removal of Directors

116. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

117. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
118. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
119. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,
- (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
 - (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

120. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
121. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
122. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

123. Nothing in this section shall be taken-
- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
 - b) as derogating from any power to remove a director under other provisions of this Act.

Remuneration and sitting fees to Directors including Managing and whole time Directors

124. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
 - b. In connection with the business of the Company.
125. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors

from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Powers and duties of Directors:

Certain powers to be exercised by the Board only at meeting

126.

1. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
 - a. The power to make calls on shareholders in respect of money unpaid on their shares;
 - b. The Power to authorize buy-back of securities under Section 68 of the Act.
 - c. Power to issue securities, including debenture, whether in or outside India
 - d. The power to borrow moneys
 - e. The power to invest the funds of the Company,
 - f. Power to Grant loans or give guarantee or provide security in respect of loans
 - g. Power to approve financial statements and the Board's Report
 - h. Power to diversify the business of the Company
 - i. Power to approve amalgamation, merger or reconstruction
 - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
 - k. Powers to make political contributions;
 - l. Powers to appoint or remove key managerial personnel (KMP);
 - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
 - n. Powers to appoint internal auditors and secretarial auditor;
 - o. Powers to take note of the disclosure of director's interest and shareholding;
 - p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
 - q. Powers to invite or accept or renew public deposits and related matters;
 - r. Powers to review or change the terms and conditions of public deposit;
 - s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

2. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
3. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
4. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.

5. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

Restriction on powers of Board

127.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
 - a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
 - b) remit, or give time for the repayment of any debt, due by a Director;
 - c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
 - e) contribute to *bona fide* charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.
 - ii. Nothing contained in sub-clause (a) above shall affect:
 - a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
 - b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
 - iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
 - iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
128. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

General powers of the Company vested in Directors

129. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

130. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:
- i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;
 - ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
 - iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
 - iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
 - v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
 - vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
 - vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
 - viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
 - ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
 - x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such

- conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
 - xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
 - xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
 - xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
 - xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
 - xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
 - xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
 - xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
 - xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of

the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

- xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

MANAGING DIRECTORS

Power to appoint Managing or Whole-time Directors

131.

- a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
- b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.
- c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

Proceedings of the Board

132.

- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

133.

The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.

134.

- a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

- b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
135. 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.
136. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 137.
- a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
 - b) 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.

Delegation of Powers of Board to Committee

- 138.
- a) 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.
 - b) 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.
- 139.
- a) A committee may elect a Chairperson of its meetings.
 - b) 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.
- 140.
- a) A committee may meet and adjourn as it thinks fit.
 - b) 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.
141. 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.
142. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

143. Subject to the provisions of the Act,—
- a) 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;

- b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

144. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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

- 145.
- a) The Board shall provide for the safe custody of the seal.
 - b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board 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

146. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

147. 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.

- 148.
- a) 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 equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
 - b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

- 149.
- a) 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.
 - b) 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.
 - c) 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.

150. 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.

- 151.
- a) 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.

- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

152. 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.

153. 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.

154. No dividend shall bear interest against the Company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

155. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

156. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

157. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

158.

- a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- b) 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.

Inspection of Statutory Documents of the Company:

159. Minutes Books of General Meetings

- a) The books containing the minutes of the proceedings of any general meeting of the Company shall;
 - i. be kept at the registered office of the Company, and
 - ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

- b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.

160. Register of charges:

- a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
 - a. by any member or creditor without any payment of fees; or
 - b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

Audit

161.

- a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 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) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
- 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.

Winding up

162. Subject to the provisions of Chapter XX of the Act and rules made there under—

- 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 others securities whereon there is any liability.

Indemnity

163. 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 Subject to the provisions of Chapter XX of the Act and rules made there under—

Secrecy

164.

- (a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

- (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Agreement dated December 10, 2020 and addendum thereon dated March 08, 2021 executed between our Company and Hem Securities Limited as Book Running Lead Manager to the Issue.
2. Agreement dated December 18, 2020 and addendum thereon dated March 09, 2021 executed between our Company and the Registrar to the Issue (Bigshare Service Pvt. Ltd.)
3. Bankers to the Issue Agreement dated March 09, 2021 amongst our Company, the BRLM, Banker(s) to the Issue, Sponsor Bank and the Registrar to the Issue;
4. Syndicate Agreement dated March 09, 2021 between our Company, the BRLM and Syndicate Member
5. Market Making Agreement dated January 25, 2021 and addendum thereon dated March 09, 2021 between our Company, Book Running Lead Manager and Market Maker.
6. Underwriting Agreement dated [●] between our Company and Underwriter(s).
7. Tripartite Agreement dated January 22, 2021 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated January 20, 2021 among NDSL, the Company and the Registrar to the Issue.

Material Documents

9. Certified copies of the Memorandum and Articles of Association of the Company as amended.
10. Certificate of Incorporation dated May 03, 2011 issued by the Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh.
11. Certificate for Commencement of Business dated May 06, 2011 issued by the Assistant Registrar of Companies, Madhya Pradesh and Chhattisgarh.
12. Copy of the Board Resolution dated November 04, 2020 authorizing the Issue and other related matters.
13. Copy of Shareholder's Resolution dated November 11, 2020 authorizing the Issue and other related matters.
14. Copy of Audited Financial Statements of our Company for the period of September 30, 2020 and for the years ended March 31, 2020, 2019 & 2018.
15. Peer Review Auditors Report dated March 03, 2021 on Restated Financial Statements of our Company for the period of September 30, 2020 and for the years ended March 31, 2020, 2019 & 2018.
16. Copy of the Statement of Tax Benefits dated March 03, 2021 from the Statutory Auditor.
17. Consents of the Book Running Lead Manager, Syndicate Member, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter(), Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company as referred to, in their respective capacities.
18. Board Resolution dated March 10, 2021 for approval of Draft Red Herring Prospectus, Board Resolution dated [●] for approval of Red Herring Prospectus
19. Due Diligence Certificate from Book Running Lead Manager dated March 10, 2021
20. Approval from BSE vide letter dated [●] to use the name of BSE in the Offer Document for listing of Equity Shares on the BSE SME.

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 the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Mr. Manish Kumar Dabkara Chairman & Managing Director DIN: 03496566 | Sd/- |

Date: March 10, 2021
Place: Indore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Mr. Naveen Sharma Whole-time Director DIN: 07351558 | Sd/- |

Date: March 10, 2021
Place: Indore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Mrs. Sonali Sheikh Whole-time Director & CFO DIN: 08219665 | Sd/- |

Date: March 10, 2021
Place: Indore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Mrs. Priyanka Dabkara (w/o of Manish Kumar Dakara) Non-Executive Director DIN: 08634736 | Sd/- |

Date: March 10, 2021
Place: Indore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Mr. Ritesh Gupta Independent Director DIN: 00223343 | Sd/- |

Date: March 10, 2021
Place: Indore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Mr. Burhanuddin Ali Husain Maksi Wala Independent Director DIN: 08326766 | Sd/- |

Date: March 10, 2021
Place: Indore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Ms. Itisha Sahu Company Secretary & Compliance Officer (M. No. 59200) | Sd/- |

Date: March 10, 2021
Place: Indore