



## ESDS SOFTWARE SOLUTION LIMITED

Our Company was incorporated as ESDS Software Solution Private Limited as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 18, 2005, issued by the Registrar of Companies, Maharashtra at Mumbai (the "RoC"). Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extra-ordinary general meeting of the Shareholders held on June 30, 2021, and consequently the name of our Company was changed to ESDS Software Solution Limited pursuant to a certificate of incorporation consequent upon conversion from private company to public company issued by the RoC on July 8, 2021. For details relating to the changes in the registered office of our Company, see "History and Certain Corporate Matters" on page 155.

**Registered Office:** Plot No. B- 24 & 25, NICE Area, MIDC, Satpur, Nashik – 422 007, Maharashtra, India; **Tel:** +91 253 6636 500

**Corporate Office:** Plot No. Gen 71/1 & 71/1/1, T.T.C Industrial Area, M.I.D.C., Navi Mumbai - 400 710, Maharashtra, India; **Tel:** 1800 209 3006

**Contact Person:** Aniket Khandelwal, Company Secretary and Compliance Officer; **Tel:** 1800 209 3006; **E-mail:** secretarial@esds.co.in ; **Website:** www.esds.co.in

**Corporate Identity Number:** U72200MH2005PLC155433

### OUR PROMOTER: PIYUSH PRAKASHCHANDRA SOMANI

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF ESDS SOFTWARE SOLUTION LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,220.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 21,525,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION COMPRISING OF UP TO 4,231,000 EQUITY SHARES BY GEF ESDS PARTNERS, LLC AGGREGATING UP TO ₹ [●] MILLION, UP TO 16,860,000 EQUITY SHARES BY SOUTH ASIA GROWTH FUND II, L.P. AGGREGATING UP TO ₹ [●] MILLION, UP TO 34,000 EQUITY SHARES BY SOUTH ASIA EBT TRUST (ACTING THROUGH ITS TRUSTEE, ORBIS TRUSTESHIP SERVICES PRIVATE LIMITED) AGGREGATING UP TO ₹ [●] MILLION (COLLECTIVELY, THE "INVESTOR SELLING SHAREHOLDERS") AND OF UP TO 400,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SARLA PRAKASHCHANDRA SOMANI (THE "PROMOTER GROUP SELLING SHAREHOLDER" AND TOGETHER WITH THE INVESTOR SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

OUR COMPANY, IN CONSULTATION WITH THE BRLMs, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES THROUGH A RIGHTS ISSUE TO EXISTING SHAREHOLDERS, PRIVATE PLACEMENT, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 600.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR").

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer 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 /Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs(s) and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank.

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 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, including Mutual Funds, subject to valid Bids being received at or above the Offer 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 QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" beginning on page 309.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 1. The Offer Price, Floor Price and Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer 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 "Risk Factors" beginning on page 28.

### ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, 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. Each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it and its respective portion of the Equity Shares offered in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with 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 until the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 432.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

<p><b>Axis Capital Limited</b> 1<sup>st</sup> Floor, Axis House, C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai- 400 025 Maharashtra, India <b>Tel.:</b> +91 22 4325 2183 <b>E-mail:</b> esds.ipo@axiscap.in <b>Investor Grievance E-mail:</b> complaints@axiscap.in <b>Website:</b> www.axiscapital.co.in <b>Contact Person:</b> Sagar Jatakiya <b>SEBI Registration No.:</b> INM000012029</p>	<p><b>IIFL Securities Limited</b> 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai- 400 013 Maharashtra, India <b>Tel.:</b> +91 22 4646 4600 <b>E-mail:</b> esds.ipo@iiflcap.com <b>Investor Grievance E-mail:</b> ig.ib@iiflcap.com <b>Website:</b> www.iiflcap.com <b>Contact Person:</b> Devendra Maydeo/Dhrup Bhagwat <b>SEBI Registration No.:</b> INM000010940</p>	<p><b>Link Intime India Private Limited</b> C101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai - 400 083 Maharashtra, India <b>Tel.:</b> +91 22 4918 6200 <b>E-mail:</b> esds.ipo@linkintime.co.in <b>Investor Grievance Email:</b> esds.ipo@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration No.:</b> INR000004058</p>

### BID/OFFER PROGRAMME

**BID/OFFER OPENS ON**

[●]\*

**BID/OFFER CLOSES ON**

[●]\*\*

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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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, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rule guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

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

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information” and “Outstanding Litigation and Other Material Developments”, beginning on pages 324, 100, 103, 148, 188 and 281 will have the meaning ascribed to such terms in those respective sections.*

#### General terms

Term	Description
our Company, the Company or the Issuer	ESDS Software Solution Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. B- 24 & 25, NICE Area, MIDC, Satpur, Nashik – 422 007, Maharashtra, India
we/us/our	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis

#### Company related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, described in “Our Management” on page 164
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being Shah Khandelwal Jain & Associates, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time
CCDs	461,934 compulsorily convertible debentures of our Company of face value of ₹479 each and carrying a dividend rate of 0.01% per annum
CCPS	2,351,477 cumulative compulsorily convertible preference shares of our Company of face value of ₹100 each and carrying a dividend rate of 0.01% per annum
Chief Financial Officer/ CFO	Chief financial officer of our Company, Sandeepkumar Mehta
Class A CCPS	567,866 cumulative compulsorily convertible preference shares of our Company of face value of ₹100 each and carrying a dividend rate of 0.01% per annum
Class B1 CCPS	162,842 cumulative compulsorily convertible preference shares of our Company of face value of ₹100 each and carrying a dividend rate of 0.01% per annum
Class C CCPS	677,930 cumulative compulsorily convertible preference shares of our Company of face value of ₹10 each and carrying a cumulative dividend rate of 0.01% per annum
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Aniket Khandelwal
Corporate Office	The corporate office of our Company, situated at Plot No. Gen 71/1 & 71/1/1, T.T.C Industrial Area, M.I.D.C., Navi Mumbai - 400 710, Maharashtra, India

Term	Description
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in “ <i>Our Management</i> ” on page 164
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 1 each
ESOP Plan	ESDS Employees Stock Ownership Plan - 2021
Executive Director(s)	Executive Directors of our Company, currently Piyush Prakashchandra Somani and Komal Somani
GEPL	GEF ESDS Partners, LLC
Independent Directors	Independent directors of our Company who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 164
Investor Selling Shareholders	GEF ESDS Partners, LLC, South Asia Growth Fund II, L.P. and South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)
IPO Committee	The IPO committee of our Board
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013/ as applicable and as further described in “ <i>Our Management-Key Managerial Personnel</i> ” on page 179
Managing Director and Chairman	The managing director and chairman of our Company, namely Piyush Prakashchandra Somani
Materiality Policy	The policy adopted by our Board on August 26, 2021, for identification of: (a) outstanding material litigation proceedings; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in “ <i>Our Management</i> ” on page 164
Nominee Director	Non-executive nominee director of our Company, namely, Alipt Sharma
OCPS	Optionally convertible Cumulative Preference Shares carrying a coupon rate of 12% of our Company
Preference Shares	Preference Shares shall mean the CCPS, Class A CCPS, Class B1 CCPS, and Class C CCPS collectively
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoter and Promoter Group</i> ” on page 183
Promoter	The Promoter of our Company, being Piyush Prakashchandra Somani. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 183
Promoter Group Selling Shareholder	Sarla Prakashchandra Somani
Registered Office	The registered office of our Company, situated at Plot No. B- 24 & 25, NICE Area, MIDC, Satpur, Nashik – 422 007, Maharashtra, India
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company and our subsidiaries which comprises of the restated consolidated statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019; the restated consolidated statements of profit and loss (including other comprehensive income); the restated consolidated statement of changes in equity; the restated consolidated statement of cash flows for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on



<b>Term</b>	<b>Description</b>
	Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
Risk Management Committee	The risk management committee of our Company, described in “ <i>Our Management</i> ” on page 164
RoC/Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai.
Shareholders	The holders of the Equity Shares from time to time.
Share Subscription cum Shareholders Agreement / SSSHA	Share subscription cum shareholders Agreement dated May 31, 2018 entered into by and between GEF US Advisors, LLC, South Asia Growth Fund II, L.P., Global Environment Capital Company, LLC, Piyush Prakashchandra Somani and Sarla Prakashchandra Somani and our Company, as amended
Stakeholders Relationship Committee	The stakeholders’ relationship committee of our Company, described in “ <i>Our Management</i> ” on page 164
Subsidiary(ies)	Subsidiaries of our Company as set out in “ <i>Our Subsidiaries</i> ” on page 161

### Offer Related Terms

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder 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
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bidding Date
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 Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, 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

<b>Term</b>	<b>Description</b>
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis Capital	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “ <i>Offer Procedure</i> ” beginning on page 309
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

<b>Term</b>	<b>Description</b>
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank</p> <p>Our Company and the Selling Shareholders, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper where our Registered Office is located)</p>
Bid/ Offer Period	<p>Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days</p>
Bidder	<p>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 Anchor Investor</p>
Bidding Centers	<p>Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs</p>
Book Building Process	<p>Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made</p>
Book Running Lead Managers/ BRLMs	<p>The book running lead managers to the Offer namely, Axis Capital Limited and IIFL Securities Limited</p>
Broker Centres	<p>Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (<a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>)</p>

<b>Term</b>	<b>Description</b>
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band  Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by Retail Individual Investors (Bidding using the UPI Mechanism) where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs.

<b>Term</b>	<b>Description</b>
Designated RTA Locations	Such locations of the CRTAs where Bidders (other than Anchor Investors) can submit the ASBA Forms to CRTAs.  The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated September 2, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 3,220.00 million.
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars
IIFL	IIFL Securities Limited
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism

<b>Term</b>	<b>Description</b>
Monitoring Agency	[●]
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale  Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with Rule 19(2)(b) of the SCRR
Offer Agreement	The agreement dated September 2, 2021 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of up to 21,525,000 Equity Shares at ₹ [●] per Equity Share aggregating up to ₹ [●] million by the Selling Shareholders
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.  The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Offered Shares	The Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 21,525,000 Equity Shares aggregating up to [●] million

<b>Term</b>	<b>Description</b>
Pre-IPO Placement	<p>A further issue of Specified Securities through a rights issue to existing Shareholders, private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 600.00 million, at its discretion, which may be undertaken by our Company, in consultation with the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC.</p> <p>If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.</p>
Price Band	<p>Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra , where our Registered Office is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites</p>
Pricing Date	<p>The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price</p>
Prospectus	<p>The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i>, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto</p>
Public Offer Account(s)	<p>Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date</p>
Public Offer Account Bank(s)	<p>The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]</p>
QIB Category/ QIB Portion	<p>The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares aggregating to ₹ [●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price</p>
Qualified Institutional Buyers/ QIBs/ QIB Bidders	<p>Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations</p>
Red Herring Prospectus/ RHP	<p>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 offered and the size of the Offer including any addenda or corrigenda thereto</p> <p>The Bid/Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto</p>



<b>Term</b>	<b>Description</b>
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated August 30, 2021 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Link Intime India Private Limited
Retail Individual Investors(s)/ RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares aggregating to ₹ [●] million, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s)  QIB Bidders 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. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and  (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form

<b>Term</b>	<b>Description</b>
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RIIs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company/NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the Retail Individual Investor, by way of a notification on the UPI linked mobile application as disclosed by SCsBs on the website of SEBI and by way of an SMS directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction

<b>Term</b>	<b>Description</b>
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

#### **Conventional and General Terms and Abbreviations**

<b>Term</b>	<b>Description</b>
A/c	Account.
AGM	Annual general meeting.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires.
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility.
Demat	Dematerialised
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder.
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number.
DP ID	Depository Participant’s Identification Number.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
EUR/ €	Euro.
FDI	Foreign direct investment.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder.

<b>Term</b>	<b>Description</b>
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise.
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross domestic product.
GoI / Central Government	Government of India.
GST	Goods and services tax.
HUF	Hindu undivided family.
IT Act	The Information Technology Act, 2000
I.T. Act	The Income Tax Act, 1961.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPO	Initial public offer.
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology.
Ken Research	Ken Research Private Limited
Ken Research Report	Report titled “India Cloud Services and Data Centre - 2020 - 2025” published in August 2021 by Ken Research Private Limited
MCA	Ministry of Corporate Affairs, Government of India.
MCLR	Marginal cost of fund-based lending rate
MIDC	Maharashtra Industrial Development Corporation
Mn/ mn	Million.
MPCB	Maharashtra Pollution Control Board
N.A. or NA	Not applicable.
NACH	National Automated Clearing House.
NAV	Net asset value.
NEFT	National electronic fund transfer.
Non-Resident	A person resident outside India, as defined under FEMA.
NPCI	National payments corporation of India.

<b>Term</b>	<b>Description</b>
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the I.T. Act.
PAT	Profit After Tax
R&D	Research and development
RBI	Reserve Bank of India.
Regulation S	Regulation S under the Securities Act.
RONW	Return on net worth.
Rs./ Rupees/ ₹ / INR	Indian Rupees.
RTGS	Real time gross settlement.
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

<b>Term</b>	<b>Description</b>
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
Specified Securities	Equity shares and/or convertible securities
STT	Securities Transaction Tax
State Government	Government of a state of India.
U. S. Securities Act	United States Securities Act, 1933
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USA/ U.S. / US	The United States of America.
USD / US\$	United States Dollars.
VAT	Value added tax.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations.
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

#### Technical and Industry Related Terms

<b>Term</b>	<b>Description</b>
APAC	Asia Pacific
AI	Artificial intelligence
AR	Augmented reality
BFSI	Banking, financial services and insurance
CMP	Cloud management platform
CPU	Central processing unit
CRM	Customer relationship management
CSP	Content service provider
DC	Data center
ERP	Enterprise resource planning
ESCO	Energy Service Company
Gbps	Gigabits per second
GEM	Government e-Marketplace
GPRS	General packet radio service
G-SaaS	Our Company's collaboration with Governmental and parastatal agencies to offer SaaS offerings and data centre solutions
HANA	High-performance analytic appliance
HR	Human Resource
IaaS	Infrastructure as a Service
IFCI	The Industrial Finance Corporation of India
IoT	Internet of things
IP	Internet protocol
ISP	Internet service provider
IT	Information technology

<b>Term</b>	<b>Description</b>
ITES	Information technology enabled services
KW	Kilowatt
LAN	Local area network
ML	Machine learning
MEITY	Ministry of Electronics and Information Technology
MSME	Micro, small & medium enterprises
NICE	Nashik Industrial Co-operative Estate Limited
O&M	Operations and maintenance
OTT	Over the top
PaaS	Platform as a Service
PDU	Power distribution unit
RAM	Random-access memory
SaaS	Software as a Service
SLA	Service level agreement
SME	Small and medium enterprises
SOC	Security operations centre
STPI	Software Technology Parks of India
STQC	Standardization Testing and Quality Certification
TCO	Total cost of operation
UPS	Uninterruptible power supply or uninterruptible power source
VESDA	Very early smoke detection system
VR	Virtual reality
VPN	Virtual private network



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

### **Certain Conventions**

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

All references herein to the “US”, the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

All references herein to the “UK” or the “U.K.” are to the United Kingdom, its territories and possessions.

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Statements.

Our Restated Consolidated Financial Statements have been prepared in accordance with Ind AS and in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

Certain measures included in this Draft Red Herring Prospectus, for instance EBITDA, EBITDA margin and percentage of revenue from long-term contracts (the “**Non-GAAP Measures**”), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, Non-GAAP measures used are not a standardised term, hence a direct comparison of Non-GAAP Measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off.

Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 28, 134 and 26, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been calculated on the basis of our Restated Consolidated Financial Statements.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled “India Cloud Services and Data Centre - 2020 - 2025” published in August 2021 by Ken Research Private Limited (“**Ken Research Report**”) and publicly available information as well as other

industry publications and sources. The Ken Research Report has been commissioned by our Company and has been exclusively prepared for the purpose of the Offer. Ken Research is an independent agency, which has no relationship with our Company, our Promoter, any of our Directors or Key Managerial Personnel or the Book Running Lead Managers, and was appointed by our Company pursuant to the engagement letter dated June 3, 2021. The Ken Research Report is subject to the following disclaimer:

*“The independent market research study titled “India Cloud Services and Data Centre - 2020 - 2025” (the “Report”) published in August 2021 has been prepared for the proposed initial public offering of equity shares (the “Offer”) by ESDS Software Solution Limited (the “Company”).*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Ken Research Private Limited (“Ken Research”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

*Ken Research has prepared the Report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. Ken Research believes that the Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, but it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.*

*Forecasts, estimates, predictions, and other forward-looking statements contained in the Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.*

*In making any decision regarding the Offer, potential investors should conduct their own investigation and analysis of all facts and information contained in the Offer Documents in which extracts, in full or part, of the Report are included and must rely on their own examination of the Company and the terms of the Offer. Potential investors should not construe any of the contents of the Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Offer”*

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. Given the scope and extent of the Ken Research Report, disclosures are limited to certain excerpts and the Ken Research Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information which may be relevant for the proposed Offer, that have been left out or changed in any manner. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors – Internal Risk Factors-Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 44.

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

All references to “**Rupees**” or “**₹**” or “**Rs.**” are to Indian Rupees, the official currency of the Republic of India.

All references to “**U.S.\$**”, “**U.S. Dollar**”, “**USD**” or “**U.S. Dollars**” are to United States Dollars, the official currency of the United States of America.

All references to “**AED**” are to the United Arab Emirates dirham, which is currency of the United Arab Emirates.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have

been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

## Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

## Exchange Rates

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

The exchange rates of USD, EUR and AED into Indian Rupees for the periods indicated are provided below.

(in ₹)

Currency	Exchange rate as on		
	March 31, 2021	March 31, 2020	March 31, 2019 <sup>(1)</sup>
1 USD	73.50	75.39	69.17
1 EUR	86.10	83.05	77.70
1 AED	19.92	20.52	18.86

Source: USD and EUR - [www.fbil.org.in](http://www.fbil.org.in) and AED-[www.xe.com](http://www.xe.com)

<sup>(1)</sup>Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 30, 2019 and March 31, 2019 being a Saturday and Sunday, respectively.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “will continue”, “seek to”, “will achieve”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such 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. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Disruptions in our services and/or failure or downtime in our data centers;
- Occurrence of an online security breach, resulting in unauthorized access to our network or data;
- Our Inability to innovate in response to changing customer needs and adopt and develop new technologies;
- Failure of our Company to maintain relationships with our technology and business collaboration partners and any breakdown of such relationships;
- Inability of our Company to manage our global operations successfully;
- Failure of our Company to comply with laws and regulations applicable to our business and imposition of fines and/or penalties against us;
- Loss or reduction of business from our major clients;
- Failure of our Company to execute our growth strategies; and
- Inability of our Company to collect receivables from, or bill our unbilled services to, our clients.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 28, 134 and 265, respectively. 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 be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Neither our Company, the Directors, the Selling Shareholders, nor the Syndicate or 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 the SEBI ICDR Regulations, our Company, the Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments pertaining to our Company and the Offered Shares from the date of the Red Herring Prospectus until the time of the grant of listing and trading permissions by the Stock Exchanges. The Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by the Selling Shareholders in this Draft Red Herring Prospectus, the Red Herring Prospectus and the

Prospectus until the grant of listing and trading permission by the Stock Exchanges.

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer”, “Financial Information”, “Objects of the Offer” and “Outstanding Litigation and Other Material Developments” beginning on pages 28, 134, 103, 74, 57, 188, 87 and 281 respectively of this Draft Red Herring Prospectus.

### Primary business of our Company

We are amongst India’s leading managed cloud service and end to end multi-cloud requirements provider. (Source: Ken Research Report). We have built a comprehensive cloud platform which our customers rely on, consisting of cloud infrastructure, well-architected solutions aimed at reducing cost and providing safety, flexibility, scalability and reliability to enterprises compared with the traditional on-premise IT models. As part of our portfolio, we offer (i) cloud computing infrastructure as a service (IaaS) which includes our patented vertically auto scalable cloud technology platform and (ii) software as a service (SaaS) and managed services.

### Summary of Industry (Source: Ken Research Report)

Indian cloud services market has grown at a CAGR of 27.8% during Fiscal 2015 to 2020 and is expected to grow at a CAGR of 34.7%, from ₹ 284.4 billion in Fiscal 2020 to ₹ 1,261.7 billion in Fiscal 2025. The cloud services market in India was undergoing a cloud transition phase, which got accelerated by the perpetuation of the pandemic in 2020. The third wave of IT adoption led by cloud computing has allowed firms to transform backend operations, resulting in enhanced value proposition for the customers. In India, the industry has gained momentum with over 200 data centers. The global SaaS market is expected to grow multifold in next few years owing to increased awareness among enterprises for its usage, advancement in technologies etc.

### Name of Promoter

Piyush Prakashchandra Somani is our Promoter. For further details, see “Our Promoter and Promoter Group” at page 183.

### The Offer

Offer <sup>1^</sup>	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to [●] million
<i>of which</i>	
Fresh Issue <sup>1^</sup>	Up to [●] Equity Shares aggregating up to ₹ 3,220.00 million
Offer for Sale <sup>2</sup>	Up to 21,525,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million

<sup>^</sup> Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 600.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

<sup>1</sup> The Offer has been authorized by a resolution of our Board dated August 7, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated August 9, 2021.

<sup>2</sup> The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details on the authorization by the Selling Shareholders in relation to the Offered Shares, see “The Offer” on page 57.

For further details, see “The Offer” and “Offer Structure” beginning on pages 57 and 304, respectively.

### Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Particulars	Estimated amount (in ₹ million) <sup>(1)</sup>
Purchase cloud computing equipment for our data centers	1,550.00

Particulars	Estimated amount (in ₹ million) <sup>(1)</sup>
Funding our long-term working capital requirements	750.00
Repayment/pre-payment, in full or in part, of certain term loans availed by our Company	220.00
General corporate purposes <sup>(1)</sup>	[●]
<b>Total<sup>(1)</sup></b>	[●]

<sup>(1)</sup> To be finalised upon determination of the Offer Price. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

For further details, see “Objects of the Offer” on page 87.

### Aggregate pre-Offer shareholding of our Promoter, the members of our Promoter Group (other than our Promoter) and Selling Shareholder

The aggregate pre-Offer shareholding of our Promoter and members of our Promoter Group as a percentage of the pre-Offer paid-up share capital of our Company is set out below:

S. No.	Name of the Shareholder	Pre-Offer Equity Share capital			
		No. of Equity Shares	% of paid-up Equity Share capital	No. of Equity Shares to be held after conversion of Preference Shares and CCDs*	Percentage of the pre-Offer Equity Share Capital to be held on a fully diluted basis (%)*
<b>Promoter</b>					
1.	Piyush Prakashchandra Somani	24,800,000	47.49	24,800,000	29.32
<b>Total (A)</b>		<b>24,800,000</b>	<b>47.49</b>	<b>24,800,000</b>	<b>29.32</b>
<b>Other Members of the Promoter Group</b>					
2.	Sarla Prakashchandra Somani	1,849,970	3.54	1,849,970	2.19
3.	P.O. Somani Family Trust	20,750,000	39.73	20,750,000	24.54
4.	Komal Piyush Somani	10	Negligible	10	Negligible
5.	Prajakta Rushikesh Jadhav	10	Negligible	10	Negligible
6.	Pooja Prakashchandra Somani	10	Negligible	10	Negligible
<b>Total (B)</b>		<b>22,600,000</b>	<b>43.27</b>	<b>22,600,000</b>	<b>26.73</b>
<b>Total of Promoter and Promoter Group (A) + (B)</b>		<b>47,400,000</b>	<b>90.76</b>	<b>47,400,000</b>	<b>56.05</b>

\*Assuming conversion of the Preference Shares, and CCDs into the maximum number Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For details of the Preference Shares and CCDs, see “Capital Structure” on page 74.

The details of the pre-Offer shareholding of our Selling Shareholders are set forth below:

S. No.	Name of the shareholder	Pre-Offer Equity Share capital			
		No. of Equity Shares	% of paid-up Equity Share capital	No. of Equity Shares to be held after conversion of Preference Shares and CCDs*	Percentage of the pre-Offer Equity Share Capital to be held on a fully diluted basis (%)*
1.	Sarla Prakashchandra Somani	1,849,970	3.54	1,849,970	2.19
2.	GEF ESDS Partners, LLC**	702,420	1.35	7,004,380	8.28
3.	South Asia Growth Fund II, L.P.**	1,918,580	3.67	19,131,390	22.62
4.	South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)**	-	-	56,547	0.07



S. No.	Name of the shareholder	Pre-Offer Equity Share capital			
		No. of Equity Shares	% of paid-up Equity Share capital	No. of Equity Shares to be held after conversion of Preference Shares and CCDs*	Percentage of the pre-Offer Equity Share Capital to be held on a fully diluted basis (%)*
<b>Total</b>		<b>4,470,970</b>	<b>8.56</b>	<b>28,042,287</b>	<b>33.16</b>

\*Assuming conversion of the Preference Shares, and CCDs into the maximum number Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For details of the Preference Shares and CCDs, see "Capital Structure" on page 74.

\*\*The Equity Shares proposed to be offered by each Investor Selling Shareholder will include all or a portion of the Equity Shares which will result upon conversion of the Preferences Shares and/or CCDs held by such Investor Selling Shareholders. The conversion of the Preference Shares and CCDs will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations. This table shall be updated in the Red Herring Prospectus.

## Summary of Restated Consolidated Financial Statements

The following information has been derived from our Restated Consolidated Financial Statements:

(₹ in million, except per share data)

Particulars	As at / for the Fiscal ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Equity Share Capital	52.22	52.22	52.22
Net worth <sup>(1)</sup>	1,805.51	1,448.48	1,038.92
Revenue from operations	1,719.27	1,585.73	1,355.77
Profit/ (loss) for the year	54.85	9.35	138.12
Earnings per Equity Share of face value of ₹1			
- Basic <sup>(2)</sup>	1.03	0.04	2.49
- Diluted <sup>(2)</sup>	0.96	0.04	2.39
Net asset value per Equity Share <sup>(3)</sup>	34.57	27.74	19.89
Total borrowings (including current maturities of long-term debts) <sup>(4)</sup>	705.68	507.32	517.77

<sup>(1)</sup> 'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, each as applicable for the Company on a restated basis.

<sup>(2)</sup> Pursuant to a resolution of our shareholders dated July 26, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 5,222,100 equity shares of ₹10 each to 52,221,000 Equity Shares of ₹1 each. Earnings per Equity Share (basic and diluted) has been calculated after giving effect to such sub-division.

<sup>(3)</sup> Net Asset Value per share = Restated equity attributable to owners of the Company excluding the reserves created out of revaluation of assets.  
Number of equity shares outstanding during the year post the sub-division of the equity shares

<sup>(4)</sup> Total borrowings consist of non-current borrowings (including current maturities of long term borrowings) and current borrowings as per our Restated Consolidated Financial Statements.

For further details, see "Restated Consolidated Financial Statements" beginning on page 188.

## Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Statements

Our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Consolidated Financial Statements.

## Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoter in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Type of Proceedings	Number of Cases	Amount* (₹ in million)
<b>Cases by our Company</b>		
Material civil proceedings (in accordance with the Materiality Policy)	5**	66.50**

Type of Proceedings	Number of Cases	Amount* (₹ in million)
<b>Cases against our Company</b>		
Material civil proceedings (in accordance with the Materiality Policy)	1	9,442.80

\* To the extent quantifiable

\*\*Includes a counterclaim for ₹50.00 million filed by our Company in an arbitration proceeding initiated against our Company.

For further details, see “Outstanding Litigation and Material Developments” on page 281.

### Risk Factors

Specific attention of Investors is invited to the section “Risk Factors” on page 28. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

### Summary of Contingent Liabilities

A summary table of our contingent liabilities as of March 31, 2021, as disclosed in the Restated Consolidated Financial Statements is set forth below:

Sr. No.	Particulars	Amount (₹ in millions)
<b>Claims against the company not acknowledged as debts</b>		
1.	Performance bank guarantees given to customers	121.84

For further details, see “Restated Consolidated Financial Statements -32.Contingencies and commitments” at page 242.

### Summary of Related Party Transactions

A summary of related party transactions entered into by our Company with related parties as reported in the Restated Consolidated Financial Statements is set forth below.

Nature of transaction	Name of related party	(₹ in million)		
		Fiscal 2021	Fiscal 2020	Fiscal 2019
Loan to Subsidiary	ESDS Cloud FZ LLC	49.13	52.18	-
	ESDS Internet Services Private Limited	-	(129.16)	150.00
	ESDS Global Software Solution Inc.	-	2.43	-
Funds transferred to Subsidiary Company	ESDS Internet Services Private Limited	132.13	120.79	80.34
	ESDS Cloud FZ LLC	-	-	-
Interest Income	ESDS Global Software Solution Inc.	0.29	0.17	-
	ESDS Cloud FZ LLC	10.07	0.09	-
Sale of Services	ESDS Global Software Solution Inc.	-	20.74	-
Salaries and allowances to KMP's	Kantilal Tekne	0.11	0.16	0.16
	Sandeepkumar Mehta	9.82	-	-
	Ravi Ajmera	-	5.58	-
Director remuneration	Sarla Prakashchandra Somani	1.98	1.98	1.63
	Piyush Prakashchandra Somani	6.81	6.74	5.08
Loan given to KMP's	Piyush Prakashchandra Somani	(1.97)	(6.01)	10.14
Loan given to relatives of KMP	Prajakta Somani Jadhav	0.20	-	-
	Komal Somani	8.30	-	-
Salaries and allowances to relatives of KMP	Prajakta Somani Jadhav	1.56	1.38	1.15
	Komal Somani	2.67	2.76	2.27
Funds transferred to related entity	Great Ideas in Action LLP	0.62	-	-
Investment in Share capital	ESDS Global Software Solution Inc.	-	0.07	-
	ESDS Cloud FZ LLC	-	0.20	-

Nature of transaction	Name of related party	Fiscal 2021	Fiscal 2020	Fiscal 2019
	Spochub Solutions Private limited	0.20	-	-

For further details, see “*Restated Consolidated Financial Statements – 33. Related Party Transactions*” at page 243.

### Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the financing entity) during a 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 our Promoter and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Neither our Promoter nor any of our Selling Shareholders have acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Provided that pursuant to a resolution of our shareholders dated July 26, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each and accordingly the authorised equity share capital of our Company was sub-divided from 11,500,000 equity shares of ₹ 10 each to 115,000,000 Equity Shares and the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 5,222,100 equity shares of ₹10 each to 52,221,000 Equity Shares of ₹1 each.

Further, the Preference Shares and CCDs held by the Investor Selling Shareholders shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For further details, see “*Capital Structure*” on page 74. The weighted average price at which the Equity Shares will be acquired by the Investor Selling Shareholders pursuant to conversion of the Preference Shares and CCDs held by them shall be updated in the Red Herring Prospectus.

### Average Cost of Acquisition of Equity Shares by our Promoter and the Selling Shareholders

The average cost of acquisition of Equity Shares by our Promoter and the Selling Shareholders as at the date of this Draft Red Herring Prospectus, is:

Name of Promoter / Selling Shareholder	Number of Equity Shares held	Average cost per Equity Share* (₹)
<b>Promoter</b>		
Piyush Prakashchandra Somani	24,800,000	0.00#
<b>Selling Shareholders</b>		
Sarla Prakashchandra Somani	1,849,970	0.00#
GEF ESDS Partners, LLC**	702,420	17.00
South Asia Growth Fund II, L.P.**	19,18,580	17.00
South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)**	-	-

\*As certified by our Statutory Auditors, Shah Khandelwal Jain & Associates, Chartered Accountants, pursuant to their certificate dated September 2, 2021.

\*\* For the purposes of the table above, only Equity Shares held by the Investor Selling Shareholders as on the date of this Draft Red Herring Prospectus have been considered. The Investor Selling Shareholders also hold Preference Shares and CCDs. For further details, see “*Capital Structure*” on page 74. The Preference Shares and CCDs held by the Investor Selling Shareholders shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. The cost of acquisition of the Investor Selling Shareholders shall be updated in the Red Herring Prospectus.

# Represents an amount less than 0.01 per Equity Share.

### Details of pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider a further issue of Specified Securities through a rights issue to existing Shareholders, private placement, preferential offer or any other method as may be permitted

under applicable law to any person(s), aggregating up to ₹ 600.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

**Offer of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

**Split or Consolidation of Equity Shares in the last one year**

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to a resolution of our Board dated July 24, 2021 and a resolution of our shareholders dated July 26, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each and accordingly the authorised equity share capital of our Company was sub-divided from 11,500,000 equity shares of ₹ 10 each to 115,000,000 Equity Shares and the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 5,222,100 equity shares of ₹10 each to 52,221,000 Equity Shares of ₹1 each.

## SECTION III - RISK FACTORS

*An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and business, potential investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Restated Consolidated Financial Statements” on pages 134, 103, 265 and 188, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, potential investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

*Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.*

*This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ 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. For further information, see “Forward-Looking Statements” on page 20.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Statements” on page 188. Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to ESDS Software Solution Limited on a consolidated basis and references to “the Company” or “our Company” refers to ESDS Software Solution Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report ‘India Cloud Services and Data Centre - 2020 - 2025’ published in August 2021 (the “**Ken Research Report**”), prepared and issued by Ken Research and exclusively commissioned and paid for by us in connection with the Offer. See “Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate” on page 44. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 17.*

### **Internal Risk Factors**

#### **1. Our inability to prevent service disruptions could adversely impact our reputation, business and results of operations.**

Our product offerings involve access to our cloud computing infrastructure services, SaaS products and managed services, continuous access to which is a critical aspect of a customer’s business. For instance, our customers in the BFSI industry depend on our services that support core banking, our corporate customers rely on our cloud to access and back-up corporate data on a real time basis and our Spochub customers rely on the digital marketplace for business transactions. Consequently, our value proposition and reputation, and in turn our business and results of operations, is highly dependent on our ability to allow our customers to have access to our services on a continuous and seamless basis or within an acceptable amount of time. Any disruption to our services, whether due to internet downtime, datacenter damage or interruptions, software failure, breakdown of hardware, security breaches or for any other reason, would affect our customers’ ability to access our services, which could adversely affect their business. We have experienced such interruptions in service in the past. For instance, in June, 2020 one of the UPS banks in our Navi Mumbai data center failed, which resulted in downtime for a few of our customers. While we offer round the clock technical support to our customers and ensure that back-up of data is

replicated across data centers, in order to reduce the impact of such disruptions, we are unable to assure you that such disruptions shall not occur in future and in the event we are unable to prevent such events in future, our reputation, business and results of operations may be adversely affected.

We operate three data centers in India, which are located in Navi Mumbai, Nashik and Bengaluru. From our data centers, we provide our services to a large number of clients and consequently, interruptions, failure or downtime in any one of our data center facilities could affect a large number of customers. Further, in the event that there are any disruptions at our data centers due to natural or man-made disasters, workforce disruptions, fire, failure of machinery, or any significant social, political or economic disturbances, our ability to service our customers may be adversely affected. We cannot assure you that any interruption, failure or disruption of data center services may not occur in future. Such failure or downtime in our data centers could cause our customers to seek damages for losses occurred, delay payment to us by customers, divert our resources, require us to replace existing equipment or add redundant facilities, affect our reputation as a reliable provider of hosting services, cause existing customers to cancel or elect to not renew their contracts or make it more difficult to attract new customers. Any of these negative outcomes could adversely impact our reputation, business, operations and financial conditions.

***2. An online security breach, which allows unauthorized access to our network or data, may harm our reputation, create additional liability and adversely impact our financial results.***

A fundamental prerequisite of a customer that wishes to migrate their businesses to a cloud is cyber security. Our cloud platform and products involve the storage and transmission of data, including personally identifiable information. Security breaches or unauthorized access to our platform and products could result in the loss of our or our customers' or users' data, litigation, indemnity obligations, fines, penalties, disputes, investigations and other liabilities. If the security of a cloud is breached, hackers may have access to confidential business and personal data, as well as valuable intellectual property.

One of the biggest risks faced by the cloud computing industry is malware infections and data breaches and increasingly, companies are becoming subject to a wide variety of attacks on their networks on an ongoing basis. India witnessed a surge in cyber-attacks amid a rapid adoption of digital services across the country following the lockdown imposed in the wake of COVID-19. The market also witnessed a rise in the cyber-attacks against the Indian vaccine makers and hospitals in the month of October and December. With the rise of connected devices and efficient internet penetration and widespread digitization of multiple sectors such as education, finance, healthcare, retail, agriculture, logistics and others comes the threat of cyber-attacks, which causes not only monetary losses but compromise data privacy and put the economy and lives in danger. Post COVID-19, digital transformation related technology integration and architecture upgradation have opened doors to wide array of advanced cyber threats (Source: Ken Research Report). While we aim to provide our customers with high level of security, we continue to face security threats and attacks from hackers. Since there are many different security breach techniques and such techniques continue to evolve, we may be unable to anticipate attempted security breaches, react in a timely manner or implement adequate preventative measures. In addition, errors due to the action or inaction of our employees, or others with authorized access to our network could lead to a variety of security incidents. A breach of our security could adversely impact our systems, creating disruptions or slowdowns and the information stored on our networks could be accessed, publicly disclosed, altered, lost, or stolen, which could subject us to financial and reputational harm. For instance, in March 2021, a ransomware attacked the MIDC system which encrypted data stored within their data centers and on the cloud deployed with us. Due to the attack, the MIDC personnel could not use the system data for over a week. While services were subsequently restored and we assisted MIDC in restoring back-up from our back-up cluster, we cannot assure you that such breaches of security may not happen again. While as per agreements entered into with customers, we are not liable for any data breach at the customer's end or for losses incurred by the customer due to such data breach, any actual or perceived breach of our security systems, or any other actual or perceived unauthorized data access incident could result in reputational damage, loss of customer confidence in our products, negative publicity, loss of channel and technology partners, clients and sales, loss of competitive advantages over our competitors, increased costs to remedy any problems and otherwise respond to any incident.

Further, undetected real or perceived errors, failures, bugs or defects may be present or occur in the future in our customer solutions. Such issues may not be found until our customers use our services, which could result in negative publicity, loss of or delay in market acceptance of our services and harm to our brand, weakening of our competitive position, claims by customers for losses sustained by them or failure to meet the stated service level commitments in our customer agreements. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend significant additional resources in order to help correct the problem. Any real

or perceived errors, failures, bugs or defects in our customer solutions could also impair our ability to attract new customers, retain existing customers or expand their use of our services, which would adversely affect our business, results of operations and financial condition.

Any of these negative outcomes could adversely impact client and investor confidence, as well as our business and operating results. These risks are likely to increase as we continue to grow and process and store increasingly large amounts of data.

**3. *If we fail to innovate in response to changing customer needs and adopt and develop new technologies, or adapt to evolving industry standards, our business, financial condition, and results of operations could be adversely affected.***

We are engaged in an industry characterized by rapid technological innovation, evolving industry standards, frequent new service introductions, shifting distribution channels and changing customer demands. We believe that the pace of innovation will continue to accelerate as customers increasingly base their business on cloud platforms. In line with customer expectations, we have diversified our portfolio to public clouds, private clouds, virtual private clouds, hybrid clouds, community clouds, SaaS and managed services. Our future success depends on our ability to continue to innovate and increase customer adoption of our platform in these and other areas. We need to continue to invest in technologies, services, and partnerships that increase the types of data processed on our platform and the ease with which customers can ingest data into our platform.

Further, our cloud computing infrastructure may become obsolete due to the development of new systems to deliver power to or eliminate heat from the servers or as a result of the development of new server technology. In addition, our power and cooling systems are difficult and expensive to upgrade. Accordingly, we may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs that we may not be able to pass on to our customers. The obsolescence of our power and cooling systems could have a material negative impact on our business, financial condition and results of operations.

If we are unable to enhance our platform to keep pace with these rapidly evolving customer requirements, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our platform, our business, financial condition, and results of operations could be adversely affected.

**4. *Our growth, in part, depends on our ability to maintain successful relationship with our technology and business collaboration partners and any breakdown of such relationship may adversely affect our business and results of operations.***

We enter into agreements with third party companies to deliver customers with bundled solutions. Such third party companies include Tech Mahindra Limited, Infracore Technologies Limited, NTT Data Business Solutions Private Limited and Larsen & Toubro Limited, to whom we offer our data center, cloud and managed services, which assists in execution of large Government IT projects by such companies. We participate in tenders or any other opportunities, in a consortium with such other companies or the customer awards the contract to such companies and certain services such as cloud hosting and/or managed services are outsourced to our Company. We also collaborate with other companies to host SAP HANA (which is an in-memory database, designed to handle transactions and analytics) on our eNlight cloud. Such collaboration allows us to augment technologies, align synergies, reduce the time-to-market and be more competitive in terms of pricing as well as innovation. For further details, see “*Business – Technology and Business Collaboration Partners*” on page 144. Our Company may also be held liable for breach of performance obligations in such instances. Revenue from such technology and business collaboration partners during Fiscals 2021, 2020 and 2019 contributed to 19.20%, 14.03% and 5.77% of our revenue from operations during such periods. Breakdown of such relationship can affect our business adversely, including reputational harm, loss of revenue and our inability to benefit from technological collaboration. Our partners can terminate the contracts with us due to number of reasons, which include repetitive outages for the cloud infrastructure or network outages.

Even if we successfully deliver on contracted services and continue to maintain close relationships with our technology and business collaboration partners, several factors outside of our control could cause the loss of or reduction in business or revenue from our existing clients. These factors include:

- the business or financial condition of our technology or business collaboration partner or the economy generally;



- a change in strategic priorities by that partner, resulting in a reduced level of spending on cloud or data center services;
- changes in the personnel at our clients who are responsible for procurement of information technology services or with whom we primarily interact, in cases where the relationship is not institutionalized;
- a demand for price reductions;
- mergers, acquisitions or significant corporate restructurings involving that partner; or
- a decision by that client or partner to move work in-house or to one or several of our competitors.

The loss or diminution in business from any of our major partners could have a material adverse effect on our revenue from operations and results of operations.

**5. *Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business.***

Laws and regulations governing data privacy and protection, the use of the internet as a commercial medium and data sovereignty requirements are rapidly evolving, extensive, complex, and include inconsistencies and uncertainties. Our business is subject to such regulations, which in India, include the Information Technology Act, 2000 and rules thereunder. Further, with the proposed enactment of the Personal Data Protection Bill, 2019, and the ongoing regulatory discussions along proposed Indian regulation to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential compliance requirements. In certain jurisdictions in which we operate, these regulatory requirements may be more stringent than in India. For example, in respect of customers in the European Union, we are required to comply with the requirements under the General Data Protection Regulation 2016/679. These laws continue to develop and may vary from jurisdiction to jurisdiction. These laws and regulations impose added costs on our business.

Additionally, our business is also subject to various central, state, local and foreign laws, including employment and labour laws, workplace safety, environmental laws, consumer protection laws, anti-bribery laws, import and export controls, anti-corruption and anti-bribery laws, and tax laws and regulations. For details of certain sector specific laws and regulations in India, which are applicable to us, see “*Key Regulations and Policies in India*” on page 148.

While we ensure compliance with applicable laws and regulations relating to our business, we cannot assure you that the Government or the regulatory authorities will not take different interpretations regarding applicability of, or compliance with, the laws and regulatory framework governing our business. Moreover, there is no assurance that the Government or regulatory authorities will not take a different interpretation regarding any of our current business activities being restricted or prohibited under applicable laws or the terms of the regulatory registrations and approvals obtained by us. Our attempts to comply with applicable legal requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition, cash flows, results of operations and prospects. We could be adversely affected if legislations or regulations are expanded or amended to require changes in our business practices, or if such legislations or regulations are interpreted or implemented in ways that negatively affect our business, financial condition, cash flows, results of operations and prospects. Non-compliance with applicable regulations or requirements could subject us to investigations, enforcement actions, and sanctions, mandatory changes to our network and products, disgorgement of profits, fines, and damages, civil and criminal penalties or injunctions, claims for damages by our customers or business collaboration partners, termination of contracts and temporary or permanent debarment from sales to government organizations.

**6. *If we are unable to hire, integrate, train and retain qualified personnel our business could suffer.***

Our ability to provide quality services, to manage the complexity of our business and our success depends largely on our ability to continue to hire, integrate, train, and retain qualified and highly skilled personnel in the areas of management, sales and marketing, research and development, compliance, finance, human resources and administration and technical team. We are substantially dependent on the continued service of our existing engineering personnel because of the complexity and domain experience involved in our offerings. As of June 30, 2021 our total number of employees were 946. Additionally, any failure to hire, integrate, train, and adequately incentivize our sales personnel or the inability of our recently hired sales personnel to effectively ramp to target productivity levels could negatively impact our growth and operating margins. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our management’s and employees’ skills and resources.

In addition, our ability to maintain and renew existing engagements and obtain new business will depend, in large part, on our ability to attract, train and retain skilled professionals, including experienced management IT professionals, which enables us to keep pace with evolving industry standards and changing customer preferences. If we are unable to attract and retain the highly skilled professionals we need, we may have to forgo projects for lack of resources or be unable to staff projects optimally. Our failure to attract, train and retain professionals with the qualifications necessary to fulfil the needs of our existing and future customers or to assimilate new professionals successfully could materially adversely affect our business, financial condition and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees. The attrition rate for our permanent employees for Fiscals 2021, 2020 and 2019, was 11.40%, 10.59%, and 26.35%, respectively.

Increased hiring by technology companies and increasing worldwide competition for skilled professionals may lead to a shortage in the availability of suitable personnel in the locations where we operate and hire. In addition, we compete for such talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services, financial services and technology generally, among others. High attrition rates of professionals would increase our hiring, reskilling, upskilling and training costs and could have an adverse effect on our ability to complete existing contracts in a timely manner, meet customer objectives and expand our business.

**7. *We generate a significant portion of our revenues from a limited number of clients, and any loss or reduction of business from these clients could reduce our revenues and materially adversely affect our business, financial condition, and results of operations.***

We have derived, and believe that in the foreseeable future we will continue to derive, a significant portion of our revenues from a limited number of clients which may not be the same every year. For example, our top 10 clients contributed 36.35%, 35.57%, and 44.73% of our revenue from operations for Fiscals 2021, 2020 and 2019.

Our ability to maintain close relationships with these and other major clients is essential to the growth and profitability of our business. The services we provide to our clients, and the revenues and net income from those services, may decline or vary as the type and quantity of services the clients require changes over time. Furthermore, our reliance on any individual client for a significant portion of our revenues may give that client a certain degree of pricing leverage against us when negotiating contracts and terms of service.

In addition, a number of factors other than our performance could cause the loss of or reduction in business or revenues from a client, and these factors are not predictable. For example, a client may decide to reduce spending on technology services or sourcing from us due to a challenging economic environment or other factors, both internal and external, relating to its business, may be involved in a litigation or may wind up. Further, factors which are not in our or our clients' control such as the socio-political situation in a particular country or the outbreak of a contagious disease may also impact our business adversely. These factors, among others, may include clients pursuing a corporate restructuring, facing pricing pressure, changing outsourcing strategy, switching to another cloud services provider or returning work in-house.

Our agreements with our clients do not prevent our clients from in-sourcing services that are currently outsourced to us, and none of our clients have entered into any non-compete agreements with us. Our current clients may seek to move in-house the services similar to those we provide. Any decision by our clients to enter into or further expand in-sourcing activities in the future could cause us to lose a significant volume of business and may materially adversely affect our business, financial condition, results of operations and prospects.

The loss of any of our major clients, or a significant decrease in the volume of work they outsource to us or the price at which we sell our services to them, could materially adversely affect our business, financial condition and results of operations.

**8. *If we are not successful in executing our growth strategies, our business and results of operations may suffer.***

Our growth is dependent, in part, upon the successful implementation and execution of our growth strategies, which include capitalising on the rising adoption of cloud services market in India and abroad, enhancing collaboration with our partner ecosystem and providing a comprehensive suite of offerings on our digital marketplace, Spochub. For further details, see "*Our Business – Strategies*" on page 139. Implementation of such

strategies entail business risks, which include:

- Commercial and business implementation and execution challenges;
- Competition from other cloud services companies;
- Stringent requirements, including stricter support response times and penalties for any failure to meet support requirements;
- Changes in pricing in response to client demand and competitive pressures;
- Business decisions of our clients regarding the use of our services;
- General economic conditions;
- Impact of public health pandemics, such as the ongoing COVID-19 pandemic;
- Inability to successfully manage the growth; and
- Inability to innovate successfully.

We must adapt to rapidly changing customer demands and preferences in order to successfully execute our strategies. This requires us to anticipate and respond to customer demands and preferences, address business model shifts, optimize our go-to-market execution by improving our cost structure, align sales coverage with strategic goals, improve channel execution and strengthen our services and capabilities in our areas of strategic focus. We cannot assure you that our growth strategies will be successful in a timely manner or at all or that we will be able to continue to expand further or diversify our portfolio.

Further, our business strategies are based on estimates and forecasts, which are subject to uncertainty and are based on assumptions that may not prove to be accurate. The variables that go into the calculation of opportunities, on whose basis we take business decisions, are subject to change over time. For such reasons and for any other reason whatsoever, if we are unable to implement our strategies, the future growth of our business may be adversely affected.

Our growth strategies will place significant demands on our management as well as our financial, IT, accounting and operating systems. If we are unable to increase or scale up our operations pursuant to our requirements, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our operations, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality services. We cannot assure you that our future performance or growth strategy will be successful. Any of our current or future horizontal and/or vertical integration related strategies may not be executed as planned on account of factors such as lack of adequate experience and increase in competition from peers, amongst others.

***9. If we are unable to collect receivables from, or bill our unbilled services to, our clients, our results of operations and cash flows could be materially adversely affected***

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for our products and services. Our billing models include “pay-per-consumption”, “pay-per-branch” and “pay-per transaction”, under each of which, we raise monthly/quarterly/semi-annual/annual invoices. Due to the nature of agreements and arrangements that we enter into, we are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations. Also see, “*Restated Consolidated Financial Statements – 36 Financial risk management – Credit Risk*” on page 250. Our operations involve extending credit to our customers in respect of our services ranging typically from 30 to 120 days. Our debtors as at the end of Fiscal 2021, 2020 and 2019 represent 99 days, 106 days and 135 days of our revenue for the respective periods. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. There is no guarantee that we will accurately assess the creditworthiness of our customers. Our outstanding receivables in Fiscals 2021, 2020 and 2019 was ₹ 466.24 million, ₹ 460.88 million and ₹ 500.01 million, respectively, which was 27.12%, 29.06% and 36.88% of our revenues from operations during such periods.

We maintain allowances against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and, as a result, we might need to adjust our allowances. Weak macroeconomic conditions and related turmoil in the global financial system could also result in financial difficulties, including limited access to the credit markets, insolvency, or bankruptcy for our clients, and, as a result, could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance, or default on their payment obligations to us. Timely collection of balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/ or be unable to collect our balances, and if this occurs, our results of operations and cash flows could be materially adversely

affected. Moreover, in the event of delays in payment from our governmental and quasi-governmental clients, we may have difficulty collecting on receivables owed. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

***10. Our inability to modify our pricing models to retain existing customers and attract prospective customers may have an adverse impact on our business, financial condition and results of operations.***

We may be required to change our pricing model from time to time, including as a result of competition, economic conditions, general reductions in our customers' spending levels, pricing studies, or changes in how our services are broadly utilized. Similarly, as we introduce new products and services, or as a result of the evolution of our existing products and services, we may have difficulty determining the appropriate price structure for our products and services. In addition, as new and existing competitors introduce new products or services that compete with ours, or revise their pricing structures, we may be unable to attract new customers at the same price or based on the same pricing model as we have used historically. If we are unable to modify or develop pricing models and strategies that are attractive to existing and prospective customers, while enabling us to significantly grow our sales and revenue relative to our associated costs and expenses in a reasonable period of time, our business, financial condition, and results of operations may be adversely impacted.

***11. The markets in which we operate are highly competitive and if we are unable to compete effectively, our business, financial condition and results of operations could be adversely affected.***

The market for cloud and other cloud-based services, SaaS products and managed services, that we operate in are rapidly evolving and are highly competitive. As this market continues to mature and new technologies and competitors enter the market, we expect competition to persist as well as intensify. Our competitors vary by scale, breadth of service offerings and geographic spread. We compete based on various factors, including price, performance, multi-cloud availability, brand recognition and reputation, customer support, and differentiated capabilities, including ease of implementation and data migration, ease of administration and use, scalability and reliability, data governance, security, and compatibility with existing standards. Some of our present and potential competitors may have substantially greater financial, marketing or technical resources, relationships with large vendor partners, larger global presence, larger customer bases, longer operating history, greater brand recognition than we do. Some of our competitors may be global companies that have larger technical and financial resources and broad customer bases needed to bring competitive solutions to the market. Such companies may use these advantages to offer solutions that are perceived to be as effective or more effective as ours at the same or at a lower price. Further, if our competitors develop and implement technologies and/ or methodologies that yield greater efficiency and productivity, they may be able to offer similar services at lower prices than we do. Our current and potential competitors may also be able to respond more quickly to new technologies or processes and evolution of client demands; may be able to devote greater resources towards the development, promotion and sale of their services than we can; and may also make strategic acquisitions or establish cooperative relationships among themselves or with third parties that increase their ability to address client needs. To the extent we face increased price competition, we may have to lower the prices of certain of our services in the future to stay competitive, while simultaneously seeking to maintain or improve our revenue and gross margin. Therefore, we cannot assure you that we will be able to retain our clients while competing against such competitors. Increased competition, our inability to compete successfully, pricing pressures or loss of market share could have a material adverse effect on our business, financial condition and results of operations. For details of our competitors, see "Our Business – Competition" on page 147.

***12. We are a company with global operations and are subject to risks and uncertainties of conducting business outside India.***

We conduct our business across developed countries as well as in emerging markets and derive a portion of our revenue from operations from international sales. As of March 31, 2021, our customers are present in several countries, across the APAC region, Europe, Middle East, the Americas and Africa. For Fiscals 2021, 2020 and 2019, our revenues from operations in geographies outside of India was 8.03%, 10.49% and 7.21% of our total revenue from operation for such periods.

The markets in which we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. Therefore, we may be subject to risks inherent in doing business in countries other than India, including:

- challenges caused by distance and cultural differences;
- complex local tax regimes;
- imposition of international sanctions on one or more of the countries in which we operate;
- risks related to the legal and regulatory environment in non-Indian jurisdictions, including with respect to privacy and data, or in relation to taxation or repatriation of our revenues or profits from foreign jurisdictions to India;
- burdens of complying with a variety of foreign laws in multiple jurisdictions and liability in case of any failure to comply with such laws;
- fluctuations in currency exchange rates;
- political, social or economic instability;
- reduced protection for or increased violation of intellectual property rights in some countries;
- difficulties in managing global operations and legal compliance costs associated with multiple international locations;
- inadequate local infrastructure; and
- exposure to local banking, currency control and other financial-related risks.

If we are unable to manage our global operations successfully, our financial results could be adversely affected, which may impact profit margins or make it increasingly difficult for us to conduct business in foreign markets.

***13. We have not yet placed orders for the cloud computing equipment, which we propose to finance from the Net Proceeds. In the event of any delay in placing such orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost overruns and our business, prospects and results of operations may be adversely affected.***

A substantial portion of our Net Proceeds is intended to be used for the purposes financing the purchase of cloud computing equipment, which include computer servers, data storage devices and electrical and cable work and purchase of network equipment. For further details, see “*Objects of the Offer*” on page 87. While we have procured quotations from various vendors, we are yet to receive delivery of any of such equipment. We have not yet placed firm orders for the equipment required. Further, such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Moreover, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

In the event of any delay in placing orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns. Further, if we are unable to procure equipment from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the equipment which satisfy our requirements at acceptable prices. Our inability to procure the equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

***14. We have substantial capital expenditure and working capital requirements and may require additional capital to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive and the costs of procuring and setting up cloud computing infrastructure are substantial. In the past, we have expanded and upgraded our existing cloud infrastructure and we are also exploring setting up new data centers in India, in locations which may include Mohali and Navi Mumbai. In Fiscals 2021, 2020 and 2019, we have added tangible fixed assets of ₹ 606.12 million, ₹ 1,088.30 million and ₹ 404.13, respectively, primarily consisting of costs relating to data center equipment and office equipment. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological upgradation and additional market developments. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access

cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding.

In many cases, a significant amount of our working capital is required for meeting operating expenses of our business before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, or have resulted, in increases in the amount of, our receivables, short-term borrowings and the cost of availing such working capital funding. Additionally, our inability to obtain adequate amount of working capital at such terms which are favourable to us and in a timely manner or at all may also have an adverse effect on our financial condition. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

**15. *We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

As of June 30, 2021, we had total borrowings (secured and unsecured) of ₹ 713.98 million. Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the (a) capital structure of our Company, (b) memorandum and/or articles of association of our Company, (c) management control, and (d) directorship or shareholding of the Promoter in our Company. For details, see the section, "*Financial Indebtedness*" at page 278. While we have received all relevant consents required for the purposes of undertaking this Offer and related actions and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time.

Additionally, some of our loan agreements also require us to maintain certain periodic financial ratios. Some of our financing agreements also contain cross-default and cross-acceleration clauses, which are triggered in the event of default by our Company under the respective financing agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over our various assets and take possession of those assets, which could adversely affect our liquidity and materially and adversely affect our business and operations.

Our future borrowings may also contain similar restrictive provisions. In the event that we breach any financial or other covenants contained in any of our financing arrangements we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

**16. *Our Company has obtained unsecured loans from our Promoter and IDFC FIRST Bank Limited (formerly IDFC Bank Limited) that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.***

Our Company has availed loans from our Promoter and IDFC FIRST Bank Limited (formerly IDFC Bank Limited), which may be recalled at any time. As of June 30, 2021, the aggregate amount outstanding under such unsecured loans availed by our Company amounted to ₹ 8.42 million. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the lenders at any time. In the event that any lender seeks a repayment of any such unsecured loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

**17. *Our Promoter, Piyush Prakashchandra Somani, has provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans could trigger repayment obligations on him.***

Our Promoter, Piyush Prakashchandra Somani, has guaranteed certain sanctioned loans availed by our Company. As on June 30, 2021, the total amount outstanding in relation to facilities obtained by our Company was ₹ 713.98 million and outstanding amounts from facilities personally guaranteed by Piyush Prakashchandra Somani amounted to ₹ 622.95 million, which constituted 87.25% of our consolidated indebtedness as on such date.

Any default or failure by our Company to repay its loans in a timely manner or at all could trigger repayment obligations on the part of our Promoter in respect of such loans. This, in turn, could have an impact on his ability to effectively service his obligations as a Promoter and a Director of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Furthermore, in the event that our Promoter withdraws or terminates his guarantees, our lenders 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 lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations and cash flows.

**18. A substantial portion of our assets are hypothecated or mortgaged in favour of lenders as security for some of our borrowings. Our lenders may enforce the security in the event of our failure to service our debt obligations which may affect our business, financial condition, and results of operations.**

As of June 30, 2021 we had total secured borrowings (long term and short term) of ₹ 711.82 million. These borrowings are secured, *inter alia*, through a charge by way of hypothecation on our present and future current assets, book debts and movable fixed assets as well as through mortgage on our immoveable fixed assets in favour of the lenders. See the section, “*Financial Indebtedness*” at page 278. As of June 30, 2021, a substantial portion of our total assets has been hypothecated or mortgaged in favour of lenders as security.

As these assets are hypothecated or mortgaged in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

**19. There are outstanding litigation proceedings against our Company. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.**

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

The summary of outstanding matters set out below includes details of outstanding litigation proceedings involving our Company in accordance with the SEBI ICDR Regulations and the Materiality Policy, as disclosed in the chapter “*Outstanding Litigation and Other Material Developments*” on page 281:

Type of Proceedings	Number of Cases	Amount* (₹ in million)
<b>Cases by our Company</b>		
Material civil proceedings (in accordance with the Materiality Policy)	5**	66.50**
<b>Cases against our Company</b>		
Material civil proceedings (in accordance with the Materiality Policy)	1	9,442.80

\* To the extent quantifiable

\*\*Includes a counterclaim for ₹50.00 million filed by our Company in an arbitration proceeding initiated against our Company.

There can be no assurance that these legal proceedings will be decided in favour of our Company. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

**20. Our success depends substantially on the continuing services of our Promoter, senior executives and other key managerial personnel. If we are unable to attract and retain senior executives, we may not be able to**

***maintain client relationships and grow effectively, which may adversely affect our business, results of operations and financial condition.***

Our future success heavily depends upon the continued services of our Promoter, senior executives and other key employees. If one or more of our senior executives or key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them easily or at all. In addition, we may be unable to retain our senior executives and key personnel or attract and retain new senior executives and key personnel in the future, in which case our business may be severely disrupted, which could materially adversely affect our business, financial condition and results of operations.

Our Company's performance depends largely on the efforts and abilities of these employees. If any of our senior executives or key personnel joins a competitor or forms a competing company, we may lose clients, know-how and key professionals and staff members to them which may materially adversely affect our business, financial condition and results of operations. Also, if any of our business development managers/ sales personnel, who generally keep a close relationship with our clients, joins a competitor or forms a competing company, we may lose clients, and our revenues may be materially adversely affected. Additionally, there could be unauthorized disclosure or use of our technical knowledge, practices or procedures by such personnel. If any dispute arises between our senior executives or key personnel and us, any non-competition, non-solicitation and non-disclosure provisions in our employment agreements we have with our senior executives or key personnel might not provide effective protection to us.

In addition, while our Company has a succession plan for our Promoter and our senior executives and key personnel, we need to successfully implement such plans. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans it may materially adversely affect our business, financial condition and results of operations. We may require a long period of time to hire and train replacement personnel when our key personnel terminate their employment with us. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting key personnel. Employees cost as a percentage of total revenues from operations of our Company for Fiscals 2021, 2020 and 2019 was 34.33%, 30.47% and 20.27% respectively. Loss of the services of our permanent employees could adversely affect our business, financial condition and results of operations.

***21. Our ability to maintain customer satisfaction depends in part on the quality of our customer support. Failure to maintain high-quality customer support could have an adverse effect on our business, results of operation, and financial condition.***

We believe that the successful use of our platform and products requires a high level of support and engagement for our customers. In order to deliver appropriate customer support and engagement, we must successfully assist our customers in deploying and continuing to use our platform and products, resolving performance issues, addressing interoperability challenges with the customers' existing IT infrastructure, and responding to security threats and cyber-attacks and performance and reliability problems that may arise from time to time. Because our platform and products are designed to be highly configurable and to rapidly implement customers' reconfigurations, customer errors in configuring our platform and products can result in significant disruption to our customers. Our customer support team faces additional challenges associated, including those associated with attrition and training new customer support personnel, which may result in increased employee costs. Increased demand for customer support, without corresponding increases in revenue, could increase our costs and adversely affect our business, results of operations, and financial condition.

There can be no assurance that we will be able to hire sufficient support personnel as and when needed, particularly if our sales exceed our internal forecasts. Also see, "*If we are unable to hire, integrate, train and retain qualified personnel our business could suffer*" at page 31. To the extent that we are unsuccessful in hiring, training, and retaining adequate support resources, our ability to provide high-quality and timely support to our customers will be negatively impacted, and our customers' satisfaction and their usage of our products could be adversely affected.

***22. The outbreak and after-effects of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, cash flows and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease, epidemic or pandemic, as seen in the recent outbreak and aftermath of COVID-19, could materially adversely affect overall business sentiment and environment across industries. In addition, our revenue and profitability could be impacted to the extent that a



natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty and caused economic slowdown. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. If any of our employees are suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or suspend operations in our facilities for disinfection. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

In response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements. Pursuant to such measures, we availed a moratorium offered by the RBI to defer payments under a few financing arrangements. The financial impact due to lockdown and other restrictions imposed by the government and condition related to COVID-19 pandemic situation is not expected to be significant on the financial results of our Company. However, the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. For further details see, “*Restated Consolidated Financial Statements – Note 44 - Impact of COVID 19*”. While there has not been any significant adverse impact of COVID-19 on our business results, the extent to which COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The spread of any severe communicable disease may also adversely affect the operations of our customers and partners, which could adversely affect our business, financial condition, cash flows and results of operations. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, loss of life, injuries and impact the wellbeing of our people.

During the lockdown in response to the COVID-19 pandemic, we put in place certain interim measures to ensure business continuity. All of our employees worked remotely, and our data centers and services continued to operate. However, our operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could seriously impact our business in the event of a disaster of any nature. Although we continue to devote resources and management focus, there can be no assurance that these programs will operate effectively.

***23. We may be unable to protect our intellectual property adequately, which could harm our business, financial condition and results of operations.***

We believe that our intellectual property is an essential asset of our business. We rely on a combination of copyright, trademarks, patents, database rights, and trade secret laws, as well as confidentiality procedures and contractual provisions, to establish and protect our intellectual property rights in India and abroad. For details of our intellectual property, see “*Our Business – Intellectual Property*” on page 146. The efforts we have taken to protect our intellectual property may not be sufficient or effective, and our trademarks, copyrights and patents may be held invalid or unenforceable. Further, any patents issued to us may not be sufficiently broad to protect our proprietary technologies, and given the costs of obtaining patent protection, we may choose not to seek patent protection for certain of our proprietary technologies. We may not be effective in policing unauthorized use of our intellectual property, and even if we do detect violations, litigation may be necessary to enforce our intellectual property rights. The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. While there have been no instances of infringement in the past, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed.

Agreements entered into with our employees, customers or other third parties that receive access to our proprietary

or confidential information include confidentiality clauses. No assurance can be given that these agreements will be effective in controlling access to or the distribution of our proprietary information. Further, these agreements will not prevent potential competitors from independently developing technologies that may be substantially equivalent or superior to ours.

Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive, could divert management's attention and may result in a court determining that our intellectual property rights are unenforceable. If we are not successful in cost-effectively protecting our intellectual property rights, our business, financial condition and results of operations could be harmed.

***24. Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.***

We believe that maintaining, promoting and enhancing our "ESDS" brand and our various product brands is critical to maintaining and expanding our business. We have obtained trademark registration for our logo "ESDS" under the Trade Marks Act, 1999. For details of our intellectual property, see "*Our Business – Intellectual Property*" on page 146. Maintaining and enhancing our brand depends largely on our ability to continue to provide quality, well-designed, useful, reliable, and innovative solutions, which we cannot assure you we will do successfully. We believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful solutions at competitive prices, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We market our platform and products through our direct sales force, channels partners, and a number of free traffic sources, including customers' word-of-mouth referrals. We have incurred and expect to incur costs and expenses to market our brand and we intend to continue such efforts. We cannot assure you, however, that our sales and marketing expenses will lead to increasing revenue, and even if they did, such increases in revenue might not be sufficient to offset the expenses incurred.

***25. Our ability to operate our cloud computing infrastructure relies on access to sufficient, reliable and cost effective electric power, reliable internet and telecommunication services and other technical services.***

Since our cloud computing infrastructure relies on third parties to provide power sufficient to meet operational needs, our cloud computing infrastructure could have a limited or inadequate amount of electrical resources necessary to meet our customer requirements. We attempt to manage our power resources and limit exposure to system downtime due to power outages by having redundant power feeds from the grid and by using backup generators and battery power such as N+N redundant UPS and multiple on site diesel generators. However, these protections may not limit our exposure to power shortages or outages entirely or may not be able to consistently meet our requirements. Any system downtime resulting from insufficient power resources or power outages or if for any reason such electricity is not available or we are unable to switch to alternate power source in a short time could cause physical damage to equipment, lead to shutdown of our data centers, increase our susceptibility to security breaches, increase costs associated with restarting data centers, damage our reputation and lead us to lose current and potential customers, which would harm our business and results of operations. For instance, in June, 2020 one of the UPS banks in our Navi Mumbai data center failed, which resulted in downtime for a few of our customers. Services were restored in a couple of hours.

Further, while we are currently able to obtain power at costs that we believe are reasonable, a significant increase in the cost of power or a decrease in its availability could have materially adverse consequences including, among others, placing us at a cost disadvantage if we are forced to increase our service rates. We may lose customers, or our customers may reduce the services purchased from us due to increased power costs and limited availability of power resources, or we may incur costs for data center space which we cannot utilize, which would reduce our revenue and have a material and adverse effect on our cost of revenue and results of operations.

Our offerings also rely on performance of our network infrastructure, including internet and telecommunications services provided by third parties. We depend on uninterrupted and error-free service. We do not exercise control over the providers of these services, which increases our vulnerability to problems with the services provided by them. We may experience interruptions or delays in network service. Any failure on our part or the part of our third-party suppliers to achieve or maintain high data transmission capacity, reliability or performance could significantly reduce customer demand for our services and have a material and adverse effect on our business and results.

We also depend on having timely access to certain key third-party technical personnel, such as engineering firms

and key suppliers of electrical and mechanical equipment for our infrastructure. For any future expansion, we will continue to rely on these personnel and suppliers to develop solutions for us. We may not always have or retain access to such key service providers and equipment suppliers, which could adversely affect our current and any future expansion.

**26. Exchange rate fluctuations may adversely affect our results of operations as some portion of our revenues and expenditures are denominated in foreign currencies.**

We undertake operations in certain developed markets in Europe and the Americas and emerging market economies in the APAC region, Middle East, the Americas and Africa. Emerging markets are vulnerable to market and economic volatility to a greater extent than more developed markets, which presents risks to our business and operations. This exposes us to foreign exchange related risks as a portion of our revenue from operations is in foreign currency, including the US Dollar and GBP. In Fiscals 2021, 2020 and 2019, revenue from international sales represented 8.03%, 10.49% and 7.21%, respectively, of our total revenue from operations in such periods. Similarly, a portion of our expenses, are denominated in currencies other than Indian Rupees. In Fiscals 2021, 2020 and 2019, expenses in foreign currency represented 0.71%, 0.75% and 0.98%, respectively, of our total expenses in such periods. Since we do not make provisions for foreign exchange fluctuation, a significant or frequent fluctuation in the exchange rate between the Indian Rupee and other currencies, may adversely affect our results of operations. Foreign exchange gain/(loss) in Fiscals 2021, 2020 and 2019 was ₹ (6.25) million, ₹ 1.56 million and ₹ (3.46) million, respectively. The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our revenue from offerings overseas will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

While we seek to pass on losses on account of foreign currency fluctuations to our clients, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Indian Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our clients, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies.

**27. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.**

As of March 31, 2021, our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for were as follows:

Particulars	Amount (₹ million)
Performance bank guarantees given to customers	121.84
<b>Total</b>	<b>121.84</b>

Further, in Fiscals 2021, 2020 and 2019, our total contingent liabilities amounted to 6.77%, 11.39% and 13.89% of our total net-worth for the respective periods. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see “Restated Consolidated Financial Statements” on page 188.

**28. A portion of the Net Proceeds may be utilized for repayment or pre-payment of a loan availed by our Company from Axis Bank Limited, which is an affiliate of Axis Capital Limited, one of the BRLMs.**

We propose to repay or pre-pay a loan availed by our Company from Axis Bank Limited from the Net Proceeds. Axis Bank Limited is an affiliate of Axis Capital Limited, one of our Book Running Lead Managers and is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. The loan sanctioned to our Company by Axis Bank Limited was done as part of their lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. The Board of Directors of our Company has chosen the loans and facilities to be repaid/prepaid based on commercial considerations. For further details see “*Objects of the Offer*” on page 87. However, there can be no assurance that the repayment/prepayment of such loans from the Net Proceeds to an affiliate of one of the Book Running Lead Managers will not be perceived as a current or potential conflict of interest.

**29. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.**

We maintain customary insurance policies for our data centers, business premises, including buildings and equipment, vehicles and insurance for our staff. In addition, we also maintain insurance policies covering directors’ and officers’ liability and key man insurance. For further information, see “*Our Business – Insurance*” on page 147.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance cover for our total assets as of March 31, 2021, 2020 and 2019 was ₹ 1,306.34 million, ₹ 1,198.81 million and ₹ 1,236.97 million respectively while our total assets were ₹ 2,706.51 million, ₹ 2,243.01 million and ₹ 1,481.04 million for the respective periods. Consequently, our insurance cover as a percentage of our total assets for Fiscals 2021, 2020 and 2019 was 48.27%, 53.45% and 83.52%. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Additionally, in future, we may be required to bear increased premiums for our insurance to provide coverage for pandemics such as COVID-19. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

**30. We are required to maintain certain approvals or licenses required in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.**

We require certain approvals, licenses, registrations and permissions for operating our business. Further, the approvals that we obtain may stipulate certain conditions requiring our compliance for which we may be required to make compliance-related expenditure. For details of such licenses, registrations and approvals for our Company, see “*Government and Other Approvals*” on page 287. Our approvals may expire from time to time in the ordinary course and we may be required to make applications for such renewals.

Failure to obtain, maintain or renew any approvals or licences, in a timely manner or at all, may result in a levy of penalties or other regulatory action against us, in accordance with applicable laws, which may have an adverse impact on our business. Further, we cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply or if a regulator claims that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected.

**31. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.**

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include remuneration to executive Directors and Key Managerial Personnel. For further information relating to our related party transactions, see “*Restated Consolidated Financial Statements – 33 Related Party Transactions*” on page 243. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2021, 2020 and 2019, the net aggregate amount of such related party transactions was ₹ 222.03 million, ₹ 80.10 million and ₹ 250.77 million, respectively. The percentage of the aggregate value of such related party transactions to our total revenue in Fiscals 2021, 2020 and 2019, was 12.91%, 5.05% and 18.50%, respectively. We derive a portion of our revenue from sales to Promoter Group entities. The percentage of the aggregate value of such revenue derived from Promoter Group entities to our total revenue in Fiscals 2021, 2020 and 2019, was 5.85%, 5.93% and 6.07% respectively. For further information on our related party transactions, see “*Restated Consolidated Financial Statements – 33 Related Party Transactions*” on page 243. We cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may not potentially involve any conflict of interest.

**32. Our Promoter has interests in entities in businesses similar to ours, which may result in conflicts of interest with us.**

Our Promoter is associated with, and consequently interested in, Bod Host Limited, Eukhost Limited and Web Hosting UK Com Limited, companies engaged in web hosting services in the UK and USA, which is a business similar to ours. Bod Host Limited, Eukhost Limited and Web Hosting UK Com Limited are also members of our Promoter Group. Such similar businesses conducted by entities that are part of the same Promoter Group may result in conflict of interests. In case of any future conflict of interest, there can be no assurance that our Promoter will not favour any of his interests in such other businesses. Any such future conflict, or situations where our Promoter decides to divert opportunities or conduct business through his other business interests, could have a material adverse effect on our business, reputation, results of operations, financial condition, and cash flows.

**33. After the completion of the Offer, our Promoter along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.**

As on the date of this Draft Red Herring Prospectus, our Promoter and members of the Promoter Group together hold 90.76% of the paid up Equity Share capital of our Company (prior to conversion of the Preference Shares and CCDs). For details of their shareholding pre and post Offer, see “*Capital Structure*” on page 74. After the completion of the Offer, our Promoter along with the Promoter Group will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders’ approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoter will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoter in the Company, please see “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Restated Consolidated Financial Statements*” on pages 183, 164 and 188 respectively.

**34. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have availed the services of an independent third party research agency, Ken Research, appointed on June 3, 2021, to prepare an industry report titled “India Cloud Services and Data Center - 2020 - 2025” published in August 2021, for purposes of inclusion of such information in this Draft Red Herring Prospectus. The said report has been included as a material document, available for inspection. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. Given the scope and extent of the Ken Research Report, disclosures are limited to certain excerpts and the Ken Research Report has not been reproduced in its entirety in the Draft Red Herring Prospectus. There are no parts, data or information which may be relevant for the proposed Offer, that have been left out or changed in any manner. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

**35. Our Promoter and certain of our Directors and Key Managerial Personnel, are interested in our Company’s performance in addition to their remuneration and reimbursement of expenses.**

Our Promoter and certain of our Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their and, their respective relatives’ shareholding in our Company and loans taken/repaid from Directors and Key Managerial Personnel. Certain of our Key Managerial are interested to the extent of options granted to them under the ESOP Plan. For the payments that are made by our Company to certain Promoter Group entities and other related parties, see “Restated Consolidated Financial Statements – 33 Related Party Transactions” on page 243.

**36. We may not be able to renew the leases on our existing facilities on terms acceptable to us, if at all, which could adversely affect our business and results of operations.**

Our data centers, our Registered Office and our Corporate Office are located on leased or licensed premises. The lease agreements can be terminated, and any such termination could result in any of our data centers or offices being shifted or shut down. Upon the expiration or termination of our data center facility leases, we may not be able to renew these leases on terms acceptable to us, if at all. Even if we are able to renew the leases on our existing data centers, we expect that rental rates, which will be determined based on then-prevailing market rates with respect to the renewal option periods and which will be determined by negotiation with the landlord after the renewal option periods, will be higher than rates we currently pay under our existing lease agreements. Migrations to new facilities could also be expensive and present technical challenges that may result in downtime for our affected customers. There can also be no assurances that our plans to mitigate customer downtime for affected customers will be successful. This could damage our reputation and lead us to lose current and potential customers, which could harm our business and results of operations.

**37. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.**

Changes in interest rates could significantly affect our financial condition and results of operations. The interest rates of certain of our borrowings are subject to floating rates of interest based on changes in the marginal cost of funds based lending rate or prime lending rate of the respective lenders, which are subject to renegotiation, typically on a yearly basis. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

**38. Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency.**

We intend to use the Net Proceeds for the purposes of expenditure for purchase of cloud computing equipment for our data centers, funding our long term working capital requirements, repayment/pre-payment, in full or in part, of certain term loans availed by our Company and general corporate purposes, as described in “*Objects of the Offer*” on page 87. However, such objects of the Offer have not been appraised by an independent agency and are based on our management’s judgment and estimates which are based on our current business plans, market conditions and other commercial and technical factors. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. We may have to revise our funding requirements and deployment of proceeds from time to time on account of a variety of factors, such as our financial condition, market conditions, our prevailing business strategy, industry competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. Accordingly, prospective investors in the Offer will need to rely upon such judgment and estimates of our management, with respect to the use of proceeds. If such judgment and estimates prove to be inaccurate for any reason whatsoever, our business growth, future plans and consequent results of operation may be adversely affects.

***39. Any variation in the utilisation of the Net Proceeds from the Fresh Issue as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilize a substantial portion of the Net Proceeds to purchase cloud computing equipment for our data centers. For further details of the proposed objects of the Offer, see the section titled “*Objects of the Offer*” on page 87. We cannot currently determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilisation of the Net Proceeds from the Fresh Issue as disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations.

Further, our Promoter or controlling shareholders, if applicable, would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Offer, at a price and manner as prescribed by the SEBI. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Offer Proceeds, if any, which may adversely affect our business and results of operations.

***40. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the entire proceeds from the Offer for Sale.***

In addition to the Fresh Issue from which our Company will receive proceeds, this Offer includes an Offer for Sale of up to 21,525,000 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and we will not receive any such proceeds. For further details, see “*Capital Structure*” and “*Objects of the Offer*” on pages 74 and 87, respectively.

***41. This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other peer companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, EBITDA margin, percentage of revenue from long-term contracts etc.,

have been included in this Draft Red Herring Prospectus. We have computed and disclosed such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of cloud services companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by our other peer companies.

***42. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has declared dividends in the past. Further, our Board has adopted a dividend policy at their meeting held on August 26, 2021. For further information, see “*Dividend Policy*” on page 187. Our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes including dividend distribution tax, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends in the future.

## **External Risk Factors**

### ***Risks Relating to India***

***43. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our solutions may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including but not limited to domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis and volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.



***44. A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

***45. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to which we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

***46. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal

or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

***47. A downgrade in ratings of India or our Company, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India and our Company. India’s sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody’s and from BBB with a “stable” outlook to BBB with a “negative” outlook (Fitch) in June 2020; and from BBB “stable” to BBB “negative” by DBRS in May 2020. India’s sovereign ratings from S&P is BBB-with a “stable” outlook. Our Company is rated BBB- by Acuite Ratings and there has not been any downgrade in our Company’s ratings in the past 3 years. Any such adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India.

Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom’s exit from the European Union (“**Brexit**”), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential

impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**49. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements and could lead to new compliance requirements that are uncertain.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

Further, the Government of India has notified the Finance Act, 2021 ("**Finance Act**") which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

**50. *Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business.

***51. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

***52. A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company even if a change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to you. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

***53. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.***

Our Company is a company incorporated under the laws of India. Most of our Company's Directors and officers are residents of India and a majority of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore, UAE and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same

basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

### ***Risks Relating to the Equity Shares and this Offer***

#### ***54. The trading volume and market price of the Equity Shares may be volatile following the Offer.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- investor perception of us and the industry in which we operate;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- the public's reaction to our press releases and adverse media reports; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. In addition, the stock markets often experience price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance.

#### ***55. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under "Basis for the Offer Price" on page 98 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

#### ***56. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all, and may as a result lose all or a part of your

investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops, that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

**57. *Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, the Finance Act, 2020 does not require dividend distribution tax (“DDT”) to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. The Government of India has also recently introduced the union budget for Fiscal 2022, pursuant to which the Finance Act, 2020 may undergo various amendments.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company’s business, financial condition, results of operations and cash flows.

**58. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges or such period as may be prescribed under applicable law. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date or such period as may be prescribed under applicable law. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**59. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Additionally, the disposal, pledge or encumbrance of the Equity Shares by the Promoter, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

**60. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Accordingly, our ability to raise foreign capital may be constrained.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. We cannot

assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”.

The interpretation of “beneficial owner” and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 326.

**61. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.**

Our Restated Consolidated Financial Statements for Fiscals 2021, 2020 and 2019, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**62. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.**

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “Basis for the Offer Price” beginning on page 98 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs” on page 294. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control.

We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.



**63. 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 the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and 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/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**64. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.**

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the laws of the jurisdiction the investors are in, do not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investors' benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

**65. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.**

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

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

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we

may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

## SECTION IV – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares <sup>(1)^</sup>	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Fresh Issue <sup>(1)^</sup>	Up to [●] Equity Shares, aggregating up to ₹ 3,220.00 million
Offer for Sale <sup>(2)</sup>	Up to 21,525,000 Equity Shares, aggregating up to ₹ [●] million
The Offer comprises of:	
A) QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares, aggregating up to ₹ [●] million
(ii) Balance QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares, aggregating up to ₹ [●] million
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares aggregating up to ₹ [●] million
B) Non-Institutional Portion <sup>(3)(4)</sup>	Not less than [●] Equity Shares, aggregating up to ₹ [●] million
C) Retail Portion <sup>(3)(4)(5)</sup>	Not less than [●] Equity Shares, aggregating up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus) <sup>(6)</sup>	52,221,000 Equity Shares
Equity Shares outstanding prior to offer (post conversion of the Preference Shares and CCDs) <sup>(7)</sup>	84,571,685 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “ <i>Objects of the Offer</i> ” on page 87 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

<sup>^</sup> Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 600.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement.

- (1) The Offer has been authorized by a resolution of our Board dated August 7, 2021, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated August 9, 2021.
- (2) The Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale as set out below:

S. No.	Selling Shareholder	Offered Shares	Date of resolution	Date of consent letter
1.	Sarla Prakashchandra Somani	Up to 400,000 Equity Shares	-	August 20, 2021
2.	GEF ESDS Partners, LLC	Up to 4,231,000* Equity Shares	August 20, 2021	August 20, 2021

S. No.	Selling Shareholder	Offered Shares	Date of resolution	Date of consent letter
3	South Asia Growth Fund II, L.P.	Up to 16,860,000* Equity Shares	August 20, 2021	August 20, 2021
4.	South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)	Up to 34,000* Equity Shares	August 20, 2021	August 20, 2021

*\*The Equity Shares proposed to be offered by each Investor Selling Shareholder will include all or a portion of the Equity Shares which will result upon conversion of the Preference Shares and/or CCDs held by such Investor Selling Shareholder. For details of the Preference Shares and CCDs held by each Investor Selling Shareholders, see "Capital Structure" on page 74. The conversion of the Preference Shares and CCDs will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

- (3) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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 Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Offer Procedure" beginning on page 309.*
- (4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. In the event of an under-subscription in the Offer, subject to receipt of minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue, subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made first towards the Offered Shares proportionately and then towards the remaining Equity Shares offered pursuant to the Fresh Issue.*
- (5) *Allocation to Bidders in all categories, except Anchor Investors, if any, and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 309.*
- (6) *As on the date of this Draft Red Herring Prospectus, our Company has issued and allotted certain Preference shares and CCDs which are outstanding. The Equity Shares outstanding prior to the Offer disclosed above does not reflect the conversion of the Preference Shares and CCDs. The Preference Shares and CCDs shall be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC, as required under the SEBI ICDR Regulations. For further information, see "Capital Structure", "History and Certain Corporate Matters" and "Restated Consolidated Financial Statements" on pages 74, 155 and 188, respectively.*
- (7) *Assuming conversion of the Preference Shares, and CCDs into the maximum number Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For details of the Preference Shares and CCDs, see "Capital Structure" on page 74.*

For details, including in relation to grounds for rejection of Bids, refer to "Offer Structure" and "Offer Procedure" on page 304 and 309, respectively. For details of the terms of the Offer, see "Terms of the Offer" on page 300.

## **SUMMARY FINANCIAL INFORMATION**

*The following tables set forth the summary financial information derived from our Restated Consolidated Financial Statements. The Restated Consolidated Financial Statements have been prepared in accordance with Ind AS for the Fiscals 2021, 2020 and 2019 and restated in accordance with the SEBI ICDR Regulations and are presented in the section “Restated Consolidated Financial Statements” on page 188.*

*[The remainder of this page has intentionally been left blank]*

**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

*(₹ in million, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 (Proforma)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,070.30	1,832.67	947.10
Right-of-use of assets	995.01	634.41	558.21
Capital work-in-progress	3.70	394.65	43.21
Intangible assets	42.07	22.15	29.64
Intangible assets under development	46.94	-	-
Non-current financial assets	230.47	193.45	102.86
Other non-current assets	-	14.72	105.91
<b>Total non-current assets</b>	<b>3,388.49</b>	<b>3,092.05</b>	<b>1,786.93</b>
Current financial assets			
Trade receivables	466.24	460.88	500.01
Cash and cash equivalents	143.81	6.42	86.24
Other bank balances	8.16	0.15	12.09
Other current financial assets	350.58	186.84	306.77
Income-tax assets	63.79	134.72	79.63
Other current assets	183.30	234.90	75.42
<b>Total current assets</b>	<b>1,215.88</b>	<b>1,023.90</b>	<b>1,060.16</b>
<b>Total assets</b>	<b>4,604.37</b>	<b>4,115.96</b>	<b>2,847.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	52.22	52.22	52.22
<b>Other equity</b>			
Equity component of compound financial instrument	1,239.84	940.57	530.57
Reserves and surplus	513.20	458.16	456.12
Other reserves	65.53	63.93	-
<b>Equity attributable to owners of ESDS Software Solutions Limited</b>	<b>1,870.79</b>	<b>1,514.89</b>	<b>1,038.91</b>
Non-controlling interest	(4.74)	(5.90)	(8.19)
<b>Total equity</b>	<b>1,866.05</b>	<b>1,508.99</b>	<b>1,030.72</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current financial liabilities			
Non-current borrowings	439.55	265.96	247.83
Lease liabilities	578.94	571.07	515.74
Other non-current financial liabilities	-	290.41	-

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019 (Proforma)</b>
Employee benefit obligations	72.56	47.28	24.22
Deferred tax liabilities (net)	32.68	19.23	13.39
<b>Total non-current liabilities</b>	<b>1,123.73</b>	<b>1,193.95</b>	<b>801.18</b>
<b>Current liabilities</b>			
Current financial liabilities			
Current borrowings	101.86	150.70	116.47
Lease liabilities	455.06	80.86	36.83
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	247.55	322.76	231.91
Other current financial liabilities	684.10	761.83	506.21
Employee benefit obligations	4.10	2.63	1.08
Income-tax liabilities	0.38	1.00	1.80
Other current liabilities	121.54	93.24	120.90
<b>Total current liabilities</b>	<b>1,614.58</b>	<b>1,413.02</b>	<b>1,015.19</b>
<b>Total liabilities</b>	<b>2,738.32</b>	<b>2,606.98</b>	<b>1,816.37</b>
<b>Total equity and liabilities</b>	<b>4,604.37</b>	<b>4,115.96</b>	<b>2,847.09</b>

**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

*(₹ in million, unless otherwise stated)*

Particulars	For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2020	For the Fiscal ended March 31, 2019 (Proforma)
Revenue from operations	1,719.27	1,585.73	1,355.77
Other income	21.74	19.61	19.64
<b>Total income</b>	<b>1,741.01</b>	<b>1,605.34</b>	<b>1,375.41</b>
<b>Expenses</b>			
Purchases of products	-	42.37	3.26
Employee benefit expense	590.30	483.17	274.79
Finance costs	176.47	113.17	118.40
Depreciation and amortisation expense	373.93	369.30	173.04
Other expenses	512.65	562.57	625.89
<b>Total expenses</b>	<b>1,653.35</b>	<b>1,570.58</b>	<b>1,195.38</b>
<b>Profit before tax</b>	<b>87.66</b>	<b>34.76</b>	<b>180.03</b>
<b>Income tax expense</b>			
Current tax (MAT)	19.28	29.53	68.32
Less: MAT credit entitlement	(19.28)	(22.11)	
Deferred tax	32.81	17.99	(26.41)
<b>Total tax expense</b>	<b>32.81</b>	<b>25.41</b>	<b>41.90</b>
<b>Profit for the year [A]</b>	<b>54.85</b>	<b>9.35</b>	<b>138.12</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity instruments at FVOCI			
Remeasurement of post-employment benefit obligations	0.18	(3.90)	0.01
Income tax relating to these items*	0.05	(1.09)	0.00
	<b>0.23</b>	<b>(4.99)</b>	<b>0.01</b>
<b>Total other comprehensive income for the year, net of tax [B]</b>	<b>0.23</b>	<b>(4.99)</b>	<b>0.01</b>
<b>Total comprehensive income [A+B]</b>	<b>55.08</b>	<b>4.36</b>	<b>138.13</b>
<b>Profit is attributable to:</b>			
Owners of ESDS Software Solution Limited	53.69	7.07	130.15
Non-controlling interest	1.16	2.28	7.97
	<b>54.85</b>	<b>9.35</b>	<b>138.12</b>



Particulars	For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2020	For the Fiscal ended March 31, 2019 (Proforma)
<b>Other comprehensive income is attributable to:</b>			
Owners of ESDS Software Solution Limited	0.23	(4.99)	0.01
Non-controlling interest			
	<b>0.23</b>	<b>(4.99)</b>	<b>0.01</b>
<b>Total comprehensive income is attributable to:</b>			
Owners of ESDS Software Solution Limited	53.92	2.08	130.16
Non-controlling interest	1.16	2.28	7.97
	<b>55.08</b>	<b>4.36</b>	<b>138.13</b>
<b>Earnings per equity share for profit attributable to owners of ESDS Software Solution Limited</b>			
Basic (Face Value of equity share: ₹1 per equity share)	1.03	0.04	2.49
Diluted (₹ per equity share)	0.96	0.04	2.39

**RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS**

*(₹ in million, unless otherwise stated)*

Particulars		For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2020	For the Fiscal ended March 31, 2019 (Proforma)
<b>A)</b>	<b>Cash flows from operating activities</b>			
	Profit before income tax	87.66	34.76	180.03
	<b>Adjustments for</b>			
	Depreciation and amortisation expense	373.93	369.30	173.04
	(Gain)/Loss on disposal of property, plant and equipment	2.34	-	3.40
	Loss allowance	46.48	12.84	72.84
	Interest income classified as investing activities	(20.73)	(13.85)	(4.00)
	Finance costs	176.47	113.17	118.40
	Unrealised exchange (gain)/loss	6.25	(1.56)	3.46
	<b>Operating profit before working capital changes</b>	<b>672.41</b>	<b>514.66</b>	<b>547.16</b>
	<b>Changes in working capital</b>			
	(Increase) / Decrease in trade receivables	(58.09)	27.86	(341.58)
	(Increase)/ Decrease in other current and non current financial assets)	(181.01)	110.11	(39.74)
	(Increase) / Decrease in other current assets	54.19	(161.80)	(72.05)
	Increase / (Decrease) in trade payables	(75.21)	90.86	168.86
	Increase / (Decrease) in provisions	26.93	20.70	5.20
	Increase/ (Decrease) in Other Current Liabilities	29.85	(24.32)	3.04
	Increase/ (Decrease) in other current financial liabilities	(27.84)	39.42	79.77
	<b>Cash generated from operations</b>	<b>441.23</b>	<b>617.48</b>	<b>350.66</b>
	Income taxes paid (net of refunds received)	50.99	(88.78)	(93.59)
	<b>Net cash inflow/ (outflow) from operating activities</b>	<b>492.22</b>	<b>528.70</b>	<b>257.07</b>
<b>B)</b>	<b>Cash flows from investing activities</b>			
	Purchase of Property, Plant and equipment and intangible assets	(691.20)	(779.11)	(472.07)
	Proceeds from sale of property, plant and equipment	131.92	-	0.05
	Bank balances not considered as cash and cash equivalents	(31.21)	(74.62)	(40.30)
	Interest/ income on investment received	18.05	15.46	1.74
	<b>Net cash flows from investing activities</b>	<b>(572.44)</b>	<b>(838.28)</b>	<b>(510.58)</b>
<b>C)</b>	<b>Cash flows from financing activities</b>			
	Equity component of Compound Financial Instrument	299.27	410.00	530.57
	Redemption of optionally convertible preference shares	-	-	(238.73)
	Increase/ (decrease) of non-current borrowings	173.58	18.11	55.41
	Increase/ (decrease) of current borrowings	24.78	(28.57)	60.07
	Principal elements of lease payments	(189.34)	(111.25)	(64.35)
	Interest paid on borrowings	(90.80)	(58.40)	(64.79)
	<b>Net cash inflows/ (outflow) from financing activities</b>	<b>217.49</b>	<b>229.89</b>	<b>278.18</b>
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>137.28</b>	<b>(76.69)</b>	<b>24.67</b>
	Foreign currency translation impact on cash and cash equivalents	0.12	(0.14)	-
	Cash and cash equivalents at the beginning of the financial year	6.42	86.24	61.57
	<b>Cash and cash equivalents at the end of the financial</b>	<b>143.81</b>	<b>6.42</b>	<b>86.24</b>

<b>Particulars</b>		<b>For the Fiscal ended March 31, 2021</b>	<b>For the Fiscal ended March 31, 2020</b>	<b>For the Fiscal ended March 31, 2019 (Proforma)</b>
	<b>year</b>			

## GENERAL INFORMATION

### Registered Office of our Company

The address and certain other details of our Registered Office are as follows:

#### **ESDS Software Solution Limited**

B-24 and B – 25, NICE Area

M.I.D.C, Satpur

Nashik – 422 007

Maharashtra, India

**Tel.:** +91 253 6636 500

**Website:** www.esds.co.in

For details of the changes in our Registered Office, see “*History and Certain Corporate Matters-Change in the Registered Office*” at page 155.

### Corporate Office of our Company

The address and certain other details of our Corporate Office is as follows:

#### **ESDS Software Solution Limited**

Plot No. Gen 71/1 & 71/1/1

T.T.C Industrial Area, M.I.D.C.

Navi Mumbai – 400 710

Maharashtra, India

**Tel.:** 1800 209 3006

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

- a. Registration number:155433
- b. Corporate identity number: U72200MH2005PLC155433

### The Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai at Maharashtra, which is situated at the following address:

100, Everest

5<sup>th</sup> Floor

Marine Drive

Mumbai – 400002

Maharashtra, Mumbai

### Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI’s online portal at <https://siportal.sebi.gov.in> and at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”.

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

### Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

<b>Name and designation on the Board</b>	<b>DIN</b>	<b>Address</b>
Piyush Prakashchandra Somani (Managing Director and Chairman)	02357582	Plot No 1 2, B-Wing, Karabi Samraat Tropicano, Serene Meadows, Anandwalli, Nashik – 422 013, Maharashtra, India
Komal Somani (Whole Time Director)	08477154	Plot No 1 2, B-Wing, Karabi Samraat Tropicano, Serene Meadows, Anandwalli, Nashik – 422 013, Maharashtra, India
Alipt Sharma (Nominee Director)	03128439	D-104, Oberoi Splendor, Opposite Majas Depot, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060, Maharashtra, India
Ramesh Kumar Amudalapalli (Independent Director)	09240436	C-204, Suman Apartments, Orlem Tank Road, Near Orlem Church, Malad West, Mumbai – 400 064, Maharashtra, India
Dhandapani T. G. (Independent Director)	09239677	106, Bayview Apartment, 4 <sup>th</sup> Seaward Road, Valmiki Nagar, Thiruvannamiyur, Chennai – 600 041, Tamil Nadu, India
Uma Manoj Mandavgane (Independent Director)	03156224	504, Sai Sharan, 5 <sup>th</sup> Floor, N.C Kelkar Road, Dadar West, Mumbai, Bhawani Shankar, Mumbai – 400 028, Maharashtra, India
Pamela Kumar (Independent Director)	07616165	#23 UAS Layout, 6 <sup>th</sup> Cross 1 <sup>st</sup> Main, Sanjaynagar, RMV Extension, Stage II, Bangalore – 560 094, Karnataka, India

For further details of our Board of Directors, see “*Our Management-Board of Directors*” on page 164

#### **Company Secretary and Compliance Officer**

Aniket Khandelwal is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

##### **Aniket Khandelwal**

B-24 and B – 25, NICE Area  
M.I.D.C, Satpur  
Nashik – 422 007  
Maharashtra, India  
Telephone: +91 253 6636 500  
E-mail: secretarial@esds.co.in

#### **Book Running Lead Managers**

##### **Axis Capital Limited**

1<sup>st</sup> Floor, Axis House,  
C-2 Wadia International Center,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 025  
**Tel.:** +91 22 4325 2183  
**E-mail:** esds.ipo@axiscap.in  
**Investor Grievance E-mail:** complaints@axiscap.in  
**Website:** www.axiscapital.co.in  
**Contact Person:** Sagar Jatakiya  
**SEBI Registration No.:** INM000012029

##### **IIFL Securities**

10<sup>th</sup> Floor, IIFL Centre  
Kamala City, Senapati Bapat Marg  
Lower Parel (West)  
Mumbai – 400 013  
Maharashtra, India  
**Tel.:** +91 22 4646 4600  
**E-mail:** esds.ipo@iiflcap.com  
**Website:** www.iiflcap.com  
**Investor Grievance E-mail:** ig.ib@iiflcap.com  
**Contact Person:** Devendra Maydeo/Dhruv Bhagwat  
**SEBI Registration No.:** INM000010940

#### **Syndicate Members**

[•]

## Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Axis Capital and IIFL	Axis Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, Syndicate and Underwriting Agreements and RoC filing	Axis Capital and IIFL	Axis Capital
3.	Drafting and approval of all statutory advertisements	Axis Capital and IIFL	Axis Capital
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures.	Axis Capital and IIFL	IIFL
5.	Appointment of intermediaries (including coordination of all agreements) and filing of media compliance report with SEBI	Axis Capital and IIFL	IIFL
6.	Preparation of road show presentation and FAQs for the road show team	Axis Capital and IIFL	IIFL
7.	International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Institutional marketing strategy</li> <li>• Finalising the list and division of international investors for one-to-one meetings</li> <li>• Finalising international road show and investor meeting schedules</li> </ul>	Axis Capital and IIFL	Axis Capital
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Finalising the list and division of domestic investors for one-to-one meetings</li> <li>• Finalising domestic road show and investor meeting schedules</li> </ul>	Axis Capital and IIFL	IIFL
9.	Conduct non-institutional marketing of the Offer	Axis Capital and IIFL	IIFL
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: <ul style="list-style-type: none"> <li>• Finalising media, marketing, public relations strategy and publicity budget</li> <li>• Finalising collection centres</li> <li>• Finalising centres for holding conferences for brokers etc.</li> <li>• Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material</li> </ul>	Axis Capital and IIFL	Axis Capital
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading and deposit of 1% security deposit with the designated stock exchange	Axis Capital and IIFL	IIFL
12.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholders	Axis Capital and IIFL	IIFL
13.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the	Axis Capital and IIFL	IIFL

Sr. No.	Activity	Responsibility	Co-ordination
	offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of monies, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf of Selling Shareholders, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.		

#### **Legal Counsel to the Company as to Indian Law**

##### **Khaitan & Co**

10<sup>th</sup> & 13<sup>th</sup> Floors, Tower 1C  
One World Centre  
841, Senapati Bapat Marg  
Mumbai – 400 013  
Maharashtra, India  
**Tel.:** +91 22 6636 5000

#### **Legal Counsel to the BRLMs as to Indian Law**

##### **Shardul Amarchand Mangaldas & Co.**

24<sup>th</sup> Floor, Express Towers  
Nariman Point  
Mumbai – 400 021  
Maharashtra, India  
**Tel.:** +91 22 4933 5555

#### **Legal Counsel to the Investor Selling Shareholders as to Indian Law**

##### **Bombay Law Chambers**

A 201/202,  
Kalpataru Horizon,  
Ganpati Jadhav Marg,  
Worli, Mumbai – 400 018  
Maharashtra, India  
**Tel.:** +91 22 3576 6261

#### **Registrar to the Offer**

##### **Link Intime India Private Limited**

C101, 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai – 400 083  
Maharashtra, India  
**Tel.:** +91 22 4918 6200  
**E-mail:** esds.ipo@linkintime.co.in  
**Investor Grievance Email:** esds.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

#### **Banker(s) to the Offer**

[•]

#### **Designated Intermediaries**

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

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

### ***SCSBs eligible as Issuer Banks for UPI Mechanism***

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

### ***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investors and RIIs) 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 at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, as updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

### ***Registered Brokers***

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centers. 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 websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

### ***Registrar and Share Transfer Agents***

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### ***Collecting Depository Participants***

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

### ***Experts***

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated August 12, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated



September 2, 2021 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 2, 2021 from Apt Data Center Consultants India LLP, an independent consultant, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent consultant with respect to the certificate issued by them with respect to our proposed purchase of cloud computing equipment for our data centers.

#### **Statutory Auditor to our Company**

##### **Shah Khandelwal Jain & Associates**

Level 3, Riverside Business Bay,

Wellesley Road, Near RTO

Pune - 411 001, Maharashtra

**E-mail:** ashishkhandelwal@khandelwaljain.com

**Tel.:** +91 20 2622 5500

**Firm registration number:** 142740W

**Peer review no.:** 013420

#### **Changes in Auditors**

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

#### **Bankers to our Company**

##### **Axis Bank Limited**

Corporate Banking Branch

2<sup>nd</sup> Floor, City Mall Building

Ganesh Khin, Near Pune Vidyapeeth

Pune – 411 007

**Tel.:** +91 020 66223802

**E-mail:** suman.chattopadhyay@axisbank.com

**Contact Person:** Suman Chattopadhyay

##### **IndusInd Limited**

2401, General Thimmayya Road

Pune – 411 001

Maharashtra, India

**Tel.:** +91 022 6810 1664

**Email:** anupriya.singh@indusind.com

**Contact Person:** Anupriya Singh

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

Satpur IA Branch, Nashik

P-24, Near Sakal Circle

MIDC Satpur, Trimbak Road

Nashik – 422 007

**Tel.:** +91 0253 2363 467

**Email:** sbi.03872@sbi.co.in

**Contact Person:** Varun Tayal

#### **Grading of the Offer**

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

#### **Appraising Entity**

No appraising entity has been appointed in relation to the Offer.

#### **Monitoring Agency**

Our Company shall in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Net Proceeds from the Fresh Issue prior to the filing of the Red Herring Prospectus. For details in relation to the proposed utilisation of the Net Proceeds, see the section titled “*Objects of the Offer*” on page 87.

### **Credit Rating**

As the Offer is of Equity Shares, credit rating is not required.

### **Debenture Trustee**

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

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Retail Individual Investors and Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted 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 Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” beginning on pages 300 and 309, respectively.

**The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.**

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

For further details on the method and procedure for Bidding, see “*Offer Procedure*” beginning on page 309.

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

*(₹ in million)*

<b>Name, address, telephone and e-mail of the Underwriters</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten</b>
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

## CAPITAL STRUCTURE

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

(In ₹ except share data)

	Aggregate value at face value	Aggregate value at Offer Price*
<b>A AUTHORIZED SHARE CAPITAL</b>		
115,000,000 Equity Shares of face value of ₹ 1 each	115,000,000	-
3,150,000 preference shares (of face value of ₹100 each and carrying a dividend rate of 0.01%)	315,000,000	-
200,000 preference shares (of face value of ₹100 each and carrying a dividend rate of 16%)	20,000,000	-
1,000,000 preference shares (of face value of ₹10 each and carrying a dividend rate of 0.01%)	10,000,000	-
<b>Total</b>	<b>460,000,000</b>	-
<b>B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND AS ON THE DATE OF THIS DRAFT RED HERRING PROSPECTUS<sup>(1)</sup></b>		
52,221,000 Equity Shares	52,221,000	-
2,351,477 CCPS <sup>(2)</sup>	235,147,700	-
567,866 Class A cumulative compulsorily convertible preference shares <sup>(2)</sup>	56,786,600	-
162,842 Class B1 CCPS <sup>(2)</sup>	16,284,200	-
677,930 Class C CCPS <sup>(2)</sup>	6,779,300	-
<b>Total</b>	<b>367,218,800</b>	-
<b>C PRESENT OFFER</b>		
Offer of up to [●] Equity Shares	[●]	[●]
<i>of which</i>		
Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,220.00 million <sup>(3)∧</sup>	[●]	[●]
Offer for Sale of up to 21,525,000 Equity Shares aggregating up to ₹[●] million <sup>(4)</sup>	[●]	[●]
<b>D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER*</b>		
[●] Equity Shares	[●]	-
<b>E SECURITIES PREMIUM ACCOUNT</b>		
Before the Offer (₹ million)		6.85
After the Offer (₹ million)		[●]

\* To be updated upon finalization of the Offer Price.

∧ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 600.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

(1) South Asia Growth Fund II Holdings, LLC and South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited) hold 458,977 CCDs and 2,957 CCDs respectively. The CCDs shall be converted to Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. Upon conversion of such CCDs, South Asia Growth Fund II Holdings, LLC can be allotted a maximum of 1,132,611 Equity Shares and South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited) can be allotted a maximum of 7,297 Equity Shares. Details of the conversion price and the actual number of Equity Shares issued upon conversion of such CCDs will be updated in the Red Herring Prospectus to be filed with the RoC.

(2) The Preference Shares issued by our Company shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations in the following manner:

Name of shareholder	CCPS held as on the date of this Draft Red Herring Prospectus	Maximum number of Equity Shares which can be issued on conversion of the CCPS	Class A CCPS held as on the date of this Draft Red Herring Prospectus	Maximum number of Equity Shares which can be issued on conversion of the Class A CCPS	Class B1 CCPS held as on the date of this Draft Red Herring Prospectus	Maximum number of Equity Shares which can be issued on conversion of the Class B1 CCPS	Class C CCPS held as on the date of this Draft Red Herring Prospectus	Maximum number of Equity Shares which can be issued on conversion of the Class C CCPS
South Asia Growth Fund II, L.P.	1,721,281	17,212,810	-	-	-	-	-	-
GEF ESDS Partners, LLC	630,196	6,301,960	-	-	-	-	-	-
South Asia Growth Fund II Holdings, LLC	-	-	564,232	6,649,331	161,800	323,835	673,591	673,591
South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)	-	-	3,634	42,826	1,042	2,085	4,339	4,339

Details of the conversion price and the actual number of Equity Shares issued and allotted upon conversion of the Preference Shares will be updated in the Red Herring Prospectus to be filed with the RoC.

- (3) The Offer has been authorized by a resolution of our Board dated August 7, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated August 9, 2021.
- (4) The Equity Shares being offered by the Selling Shareholders are eligible for being offered pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale. For details of consent/authorisations provided by the Selling Shareholders for participation in the Offer for Sale, see "The Offer" on page 57.

### Changes in the authorized share capital of our Company

For details of the changes to the authorized share capital of our Company in the past 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 155.

### Notes to the Capital Structure

#### 1. Share Capital history of our Company

##### a. Equity Share capital

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

Date of allotment	Reason/Nature of allotment	No. of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative No. of equity shares
August 18, 2005	Subscription to the Memorandum of Association <sup>(1)</sup>	10,000	10	10	Cash	10,000
March 31, 2010	Further Issue <sup>(2)</sup>	10,000	10	10	Cash	20,000
September 7, 2012	Bonus Issue <sup>(3)</sup>	4,940,000	10	-	-	4,960,000
February 4, 2015	Preferential Issue <sup>(4)</sup>	262,100	10	43	Cash	5,222,100

Pursuant to a resolution of our Shareholders passed in their extraordinary general meeting held on July 26, 2021, each fully paid up equity share of our Company of face value ₹10 was sub-divided into 10 Equity Shares of face value

Date of allotment	Reason/Nature of allotment	No. of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative No. of equity shares
of ₹ 1 each. Accordingly, the cumulative number of equity shares of our Company was changed from 5,222,100 equity shares of ₹ 10 each to 52,221,000 Equity Shares of ₹ 1 each.						

- (1) 5,000 equity shares of ₹ 10 each were allotted to Piyush Prakashchandra Somani and 5,000 equity shares of ₹10 each were allotted to Sarla Prakashchandra Somani.
- (2) Allotment of 5,000 equity shares ₹ 10 each to Piyush Prakashchandra Somani and 5,000 equity shares of ₹10 each to Sarla Prakashchandra Somani.
- (3) Bonus issue of shares in the ratio of 247 equity shares of ₹ 10 each for every one equity share of ₹10 each held by the shareholder. Accordingly, 2,470,000 equity shares of ₹ 10 were allotted to Piyush Prakashchandra Somani and 2,470,000 equity shares of ₹ 10 were allotted to Sarla Prakashchandra Somani.
- (4) Allotment of 262,100 equity shares of ₹ 10 each to Canbank Venture Capital Fund Limited, (“CVCFL”) acting in its capacity as the investment manager and trustee of Emerging India Growth Fund (the Fifth Fund) of Canbank Venture Capital Fund (the “Canbank Fund”).

**b. Preference Share capital**

The following table sets forth the history of the Preference Share capital of our Company.

Date of allotment of Preference Shares	Number of Preference Shares allotted	Face value per Preference Share (in ₹)	Issue/redemption price per Preference Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Preference Shares outstanding (per category)
<b>OCPS</b>						
February 4, 2015	2,387,297	100	100	Preferential Issue <sup>(1)</sup>	Cash	2,387,297
June 4, 2018	(2,387,297)	100	(100)	Redemption	Cash	-
<b>CCPS</b>						
June 4, 2018	2,351,477	100	300	Preferential Issue <sup>(2)</sup>	Cash	2,351,477
<b>Class A CCPS</b>						
August 6, 2019	458,286	100	722	Preferential Issue <sup>(3)</sup>	Cash	458,286
August 8, 2019	109,580	100	722	Preferential Issue <sup>(4)</sup>	Cash	567,866
<b>Class B1 CCPS</b>						
October 14, 2020	162,842	100	479	Preferential Issue <sup>(5)</sup>	Cash	162,842
<b>Class C CCPS</b>						
August 19, 2021	677,930	10	295	Preferential Issue <sup>(6)</sup>	Cash	677,930

- (1) Allotment of 2,387,297 OCPS to Canbank Fund.
- (2) Allotment of 1,721,281 CCPS to South Asia Growth Fund II, L.P. and 630,196 CCPS to Global Environment Capital Company, L.L.C.
- (3) Allotment of 454,652 Class A CCPS to South Asia Growth Fund II Holdings, LLC and 3,634 Class A CCPS to South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited).
- (4) Allotment of 109,580 Class A CCPS to South Asia Growth Fund II Holdings, LLC.
- (5) Allotment of 161,800 Class B1 CCPS to South Asia Growth Fund II Holdings, LLC and 1,042 Class B1 CCPS to South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited).
- (6) Allotment of 673,591 Class C CCPS to South Asia Growth Fund II Holdings, LLC and 4,339 Class C CCPS to South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited). Our Company has on September 1, 2021, filed the Form FCGPR application in connection with the allotment of 673,591 Class C CCPS to South Asia Growth Fund II Holdings, LLC by our Company and such application is pending approval.

The Preference Shares shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. For further details, see page 75 of this Draft Red Herring Prospectus.

**c. Compulsorily convertible debentures carrying dividend rate of 0.01%**

Date of allotment of CCDs	Number of CCDs allotted	Face value and issue price per CCD (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of CCDs
June 10, 2020	461,934	479	Preferential Issue <sup>(1)</sup>	Cash	461,934

- (1) Allotment of 458,977 CCDs to South Asia Growth Fund II Holdings, LLC and 2,957 CCDs to South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited). The CCDs shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. Upon conversion of such CCDs, South Asia Growth Fund

*II Holdings, LLC can be allotted a maximum of 1,132,611 Equity Shares and South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited) can be allotted a maximum of 7,297 Equity Shares, in accordance with SSSHA.*

The CCDs shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. For further details, see page 74 of this Draft Red Herring Prospectus.

2. Except as detailed below, our Company has not issued any Equity Shares through bonus issue or for consideration other than cash:

<b>Date of allotment</b>	<b>Reason/Nature of allotment</b>	<b>No. of equity shares allotted</b>	<b>Face value (₹)</b>	<b>Issue price per equity share (₹)</b>	<b>Benefits accrued to our Company</b>
September 7, 2012	Bonus Issue <sup>(1)</sup>	4,940,000	10	Not applicable	Not applicable

*(1) Bonus issue of shares in the ratio of 247 equity shares of ₹10 each for every one equity shares of ₹10 each held by the shareholders at the time. Accordingly, 2,470,000 equity shares of ₹10 each were allotted to Piyush Prakashchandra Somani and 2,470,000 equity shares of ₹10 each were allotted to Sarla Prakashchandra Somani.*

3. Our Company has not issued any equity shares or preference shares out of its revaluation reserves at any time since incorporation.
4. Our Company has not issued or allotted any equity shares pursuant to any schemes approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
5. All transactions in Equity Shares by our Promoter and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
6. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date. Our Company has not issued any Equity Shares at a price lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus. Provided that the Preference Shares and the CCDs shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

## 7. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of Equity Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	6	47,400,000	-	-	47,400,000	90.76	47,400,000	-	47,400,000	56.05	-	56.05	-	-	-	-	47,400,000
(B)	Public	4*	2,621,000	-	-	2,621,000	5.03	2,621,000	32,350,685 #	34,971,685	41.35	32,350,685 #	41.35#	-	-	-	-	-
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	1	2,200,000	-	-	2,200,000	4.21	2,200,000	-	2,200,000	2.60	-	2.60	-	-	-	-	2,200,000
	<b>Total</b>	<b>11*</b>	<b>52,221,000</b>	<b>-</b>	<b>-</b>	<b>52,221,000</b>	<b>100</b>	<b>52,221,000</b>	<b>32,350,685 #</b>	<b>84,571,685</b>	<b>100</b>	<b>32,350,685 #</b>	<b>100#</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,600,000</b>

\* South Asia Growth Fund II Holdings LLC and South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited) do not currently hold any Equity Shares and only hold Class A CCPS, Class B1 CCPS, Class C CCPS and CCDs.

# Assuming conversion of the Preference Shares and CCDs into the maximum number Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For details with respect to the Preference Shares and CCDs, see “-Notes to the Capital Structure - Share Capital history of our Company - Preference Share capital” and “-Notes to the Capital Structure - Share Capital history of our Company - Compulsorily convertible debentures carrying dividend rate of 0.01%” on page 76. The Preference Shares and CCDs shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC.



8. **Other details of Shareholding of our Company**

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has nine Equity Shareholders and four preference shareholders (two of whom are also Equity shareholders).
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)	No. of Equity Shares to be held after conversion of Preference Shares and CCDs*	Percentage of the pre- Offer Equity Share Capital on a fully diluted basis (%)*
1.	Piyush Prakashchandra Somani	24,800,000	47.49	24,800,000	29.32
2.	Sarla Prakashchandra Somani	1,849,970	3.54	1,849,970	2.19
3.	P.O. Somani Family Trust	20,750,000	39.73	20,750,000	24.54
4.	South Asia Growth Fund II, L.P.	1,918,580	3.67	19,131,390	22.62
5.	GEF ESDS Partners, LLC	702,420	1.35	7,004,380	8.28
6.	South Asia Growth Fund II Holdings, LLC	-	-	8,779,368	10.38
7.	ESDS Employee Benefit Trust	2,200,000	4.21	2,200,000	2.60
	<b>Total</b>	<b>52,220,970</b>	<b>100.00</b>	<b>84,515,108</b>	<b>99.93</b>

\* Assuming conversion of the Preference Shares and CCDs into the maximum number Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For details of the Preference Shares and CCDs see page 74.

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)	No. of Equity Shares to be held after conversion of Preference Shares and CCDs*	Percentage of the pre- Offer Equity Share Capital on a fully diluted basis (%)*
1.	Piyush Prakashchandra Somani	24,800,000	47.49	24,800,000	29.32
2.	Sarla Prakashchandra Somani	24,799,970	47.49	24,799,970	29.32
3.	South Asia Growth Fund II, L.P.	1,918,580	3.67	19,131,390	22.62
4.	GEF ESDS Partners, LLC	702,420	1.35	7,004,380	8.28
5.	South Asia Growth Fund II Holdings, LLC	-	-	8,779,368	10.38
	<b>Total</b>	<b>52,220,970</b>	<b>100.00</b>	<b>84,515,108</b>	<b>99.93</b>

\* Assuming conversion of the Preference Shares and CCDs into the maximum number Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For details of the Preference Shares and CCDs see page 74.

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of filing of this Draft Red Herring Prospectus.

No.	Name of the Shareholder	No. of equity shares of face value of ₹10 each	Percentage of the equity share capital (%)	No. of equity shares of face value of ₹10 each to be held after conversion of CCPS, Class A CCPS and CCDs*	Percentage of the pre- Offer equity share Capital on a fully diluted basis at the time (%)*
1.	Piyush Prakashchandra Somani	2,480,000	47.49	2,480,000	29.68
2.	Sarla Prakashchandra Somani	2,480,000	47.49	2,480,000	29.68
3.	South Asia Growth Fund II, L.P.	191,858	3.67	1,913,139	22.89
4.	GEF ESDS Partners, LLC	70,242	1.35	700,438	8.38
5.	South Asia Growth Fund II Holdings, LLC	-	-	778,194	9.31
	<b>Total</b>	<b>5,222,100</b>	<b>100.00</b>	<b>8,351,771</b>	<b>99.94</b>

\*Assuming conversion of the CCPS, Class A CCPS and CCDs into the maximum number of Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For further details see page 74.

- (e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of filing of this Draft Red Herring Prospectus.

No.	Name of the Shareholder	No. of equity shares of face value of ₹10 each	Percentage of the equity share capital (%)	No. of equity shares of face value of ₹10 each to be held after conversion CCPS and Class A CCPS*	Percentage of the pre- Offer Equity Share Capital held on a fully diluted basis at the time (%)*
1.	Piyush Prakashchandra Somani	2,480,000	47.49	2,480,000	30.09
2.	Sarla Prakashchandra Somani	2,480,000	47.49	2,480,000	30.09
3.	South Asia Growth Fund II, L.P.	191,858	3.67	1,913,139	23.21
4.	GEF ESDS Partners, LLC	70,242	1.35	700,438	8.50
5.	South Asia Growth Fund II Holdings, LLC	-	-	664,933	8.07
	<b>Total</b>	<b>5,222,100</b>	<b>100.00</b>	<b>8,238,510</b>	<b>99.95</b>

\*Assuming conversion of the CCPS and Class A CCPS into the maximum number of Equity Shares in accordance with the agreed formula as on the date of this Draft Red Herring Prospectus in accordance with the SSSHA. For further details see page 74.

9. Except for allotment of Equity Shares pursuant to the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Specified Securities, whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures or other arrangements.
10. Except for the Preference Shares, the CCDS and the employee stock options that may be allotted or granted pursuant to the ESOP Plan, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
11. **ESOP Plan**

Our Company has formulated an employee stock option scheme namely the ESDS Employees Stock Ownership Plan - 2021 (the “**ESOP Plan**”) pursuant to the resolutions passed by our Board on August 7, 2021, and August 26, 2021, by our Shareholders in their extra-ordinary general meetings held on

August 9, 2021 and August 27, 2021. The ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Pursuant to the ESOP Plan, a maximum of 2,200,000 options may be granted to eligible employees (as defined under the ESOP Plan), which may result in not more than 2,200,000 Equity Shares.

The ESOP Plan shall be administered by the ESDS Employee Benefit Trust and shall be supervised by the Nomination and Remuneration Committee. As on the date of this Draft Red Herring Prospectus, the ESDS Employee Benefit Trust holds 2,200,000 Equity Shares in connection with the ESOP Plan.

The objective of the ESOP Plan is to (a) enable our Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in our Company which will reflect their efforts in building the growth and the profitability of our Company; (b) provide employees an opportunity for investment in our Company's equity in recognition of their efforts to grow and build our Company; and (c) reward our employees on the basis of certain performance criteria.

Our Company has not granted any options during Fiscal 2021, 2020 and 2019. Pursuant to the resolution dated August 30, 2021, of our Nomination and Remuneration Committee, our Company has granted 2,045,000 options to eligible employees. As on the date of this Draft Red Herring Prospectus, a cumulative of 2,045,000 options have been granted pursuant to the ESOP Plan, while no options have vested and none of the options have been exercised.

The following table sets forth the particulars of ESOP Plan, including options granted as on the date of this Draft Red Herring Prospectus:

Particulars	Details	
Options granted	2,045,000	
Exercise price of the options in (₹)	65.00	
Options exercised	Nil	
Options vested (including options that have been exercised)	Nil	
Options forfeited/lapsed/cancelled	Nil	
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	2,045,000	
Total number of options outstanding in force	2,045,000	
Variation in terms of options	Nil	
Money realized by exercise of options	Nil	
Employee wise details of options granted to:		
(i) Key Managerial Personnel	<b>Name of Key Managerial Personnel</b>	<b>Number of options granted in Fiscal 2022</b>
	Sandeepkumar Mehta	150,000
	Rajeev Papneja	150,000
	Rushikesh Jadhav	100,000
	Ashok Pomnar	50,000
	Sameer Redij	50,000
	Chandra Mauli Dwivedi	30,000
	Aniket Khandelwal	30,000
	Col. Deepak Anand	30,000
	Kishor Shah	17,000
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Not applicable	
(iii) Identified Employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and	Not applicable	

Particulars	Details	
conversions) of the Company at the time of grant		
Fully diluted earnings per share on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with IND AS 33 'Earnings Per Share'	Not applicable	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not applicable since fair valuation of stock options has been done using Black-Scholes Model	
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	The fair value of the employee stock options have been derived using the Black-Scholes Model	
	Significant assumptions are listed below:	
	<b>Method of option valuation</b>	<b>Black-Scholes Model</b>
	Fair value of the underlying Equity Share at the time of grant of option (₹)	59.61
	Exercise Price per Equity Share (₹)	65.00
	Life of the options granted (vesting and exercise period) (in years).	3 to 6
	Expected Volatility (%)	20.33
Dividend yield (%)	0	
Risk free rate (%)	5.65	
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years	Not applicable	
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	No options exercised, hence not applicable	
Intention to sell Equity Shares arising out of the ESOP Plan or allotted under the ESOP Plan within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP Plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No options exercised, hence not applicable	

Note: As certified by our Statutory Auditors, Shah Khandelwal Jain & Associates, Chartered Accountants, pursuant to their certificate dated September 2, 2021.

#### 12. Details of shareholding of our Promoter and members of the Promoter Group in the Company

- As on the date of this Draft Red Herring Prospectus, our Promoter holds 24,800,000 Equity Shares, equivalent to 47.49% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

S. No.	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Piyush Prakashchandra Somani	24,800,000	47.49	[●]	[●]
	<b>Total</b>	<b>24,800,000</b>	<b>47.49</b>	<b>[●]</b>	<b>[●]</b>

\* Subject to finalisation of Basis of Allotment

- All Equity Shares held by our Promoter is in dematerialized form as on the date of this Draft Red Herring Prospectus.
- Build-up of the Promoter's shareholding in our Company**

The build-up of the Equity Shareholding of our Promoter, Piyush Prakashchandra Somani, since incorporation of our Company is set forth in the table below.

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of Equity Shares	Face value per Equity Shares (₹)	Issue price/ Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
<b>Piyush Prakashchandra Somani</b>						
Subscription to the Memorandum of Association	August 8, 2005	5,000	10	10	0.09	[●]
Further Issue	March 31, 2010	5,000	10	10	0.10	[●]
Bonus Issue	September 7, 2012	2,470,000	10	-	47.30	[●]
Pursuant to a resolution of our Shareholders passed in their extraordinary general meeting held on July 26, 2021, each fully paid up equity share of our Company of face value ₹10 was sub-divided into 10 Equity Shares of ₹ 1 each. Accordingly, the number of Equity Shares held by Piyush Prakashchandra Somani increased from 2,480,000 equity shares of ₹10 each to 24,800,000 Equity Shares of ₹10 each.						
<b>Total</b>		<b>24,800,000</b>			<b>47.49</b>	<b>[●]</b>

\* As adjusted for the sub-division of the face value of the equity shares of our Company from ₹10 each to ₹1 each.

For the table above, the percentage of pre-Offer capital =  $\frac{\text{Number of equity shares acquired (adjusted for subdivision)}}{\text{Number of Equity Shares as on the date of this Draft Red Herring Prospectus}} \times 100$

- All Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoter is pledged as on the date of this Draft Red Herring Prospectus.
- The details of the shareholding of the members of the Promoter Group (other than our Promoter) as on the date of filing of this Draft Red Herring Prospectus are set forth in the table below.

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	% of paid-up Equity Share capital	No. of Equity Shares	% of paid-up Equity Share capital
1.	Sarla Prakashchandra Somani	18,49,970	3.54	[●]	[●]
2.	P.O. Somani Family Trust	20,750,000	39.73	[●]	[●]
3.	Komal Somani	10	Negligible	[●]	[●]
4.	Pooja Somani	10	Negligible	[●]	[●]
5.	Prajakta Somani	10	Negligible	[●]	[●]
	<b>Total</b>	<b>22,600,000</b>	<b>43.27</b>	<b>[●]</b>	<b>[●]</b>

\* Subject to finalisation of Basis of Allotment.

- None of the members of the Promoter Group, the Promoter, or the Directors and their relatives have purchased or sold any Equity Shares of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus. However, Sarla Prakashchandra Somani gifted

(i) one equity share of ₹10 each to Komal Somani, Pooja Somani and Prajakta Somani on June 4, 2021; (ii) 20,750,000 Equity Shares to P.O. Somani Family Trust on August 30, 2021; and (iii) 2,200,000 Equity Shares held by Sarla Prakashchandra Somani which were gifted to the ESDS Employee Benefit Trust on September 2, 2021

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

13. **Details of Promoter's contribution and lock-in:**

- (i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoter shall be locked in for a period of 18 months as minimum promoter's contribution from the date of Allotment ("**Promoter's Contribution**"), and the Promoter's shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of six months from the date of Allotment, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. As per the applicable provisions of SEBI ICDR Regulations, "capital expenditure" means civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery etc. Please see "*Objects of the Offer*" at page 87.
- (ii) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoter's Contribution are set forth in the table below.

Name of the Promoter	Date of allotment/acquisition of the Equity Shares	Nature of transaction	No. of Equity Shares**	Face value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares locked-in*	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Piyush Prakashchandra Somani	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>						[•]	[•]	[•]	

\* Subject to finalisation of Basis of Allotment.

\*\* All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- (iii) Our Promoter has given consent to include such number of Equity Shares held by him as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, in accordance with the SEBI ICDR Regulations.
- (iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
- The Equity Shares offered for Promoter's Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;

- The Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
- The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

**14. *Details of Equity Shares locked-in for six months***

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoter and locked in for 18 months, other than Equity Shares offered by the Selling Shareholders as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company, including any unsubscribed portion of the Offer for Sale, will be locked-in for a period of six months from the date of Allotment in accordance with Regulations 16(1)(b) and 17 of the SEBI ICDR Regulations. Provided that, subject to the terms specified under the SEBI ICDR Regulations, such lock-in shall not be applicable to Equity shares held by *inter alia*: (i) a venture capital fund or alternative investment fund of category I or II or a foreign venture capital investor, provided such equity shares shall be locked-in for a period of at least six months from the date of purchase by such investor; and (ii) Equity Shares held by the ESDS Employee Benefit Trust or transferred to eligible employees (or such persons as permitted under the SEBI SBEB Regulations the ESOP Plan) by the ESDS Employee Benefit Trust pursuant to exercise of options by the eligible employees, whether currently employees or not, in accordance with the ESOP Plan.

**15. *Lock-in of Equity Shares Allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

**16. *Recording on non-transferability of Equity Shares locked-in***

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

**17. *Other requirements in respect of lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoter's Contribution, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, and pledge the Equity Shares is a term of sanction of the loan which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of the Promoter Group or a new promoter(s), subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations. Such transferees are not eligible to transfer such transferred

Equity Shares till the expiry of the lock-in period.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations. Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period

18. Our Company, the Selling Shareholders, the Promoter, the Directors and the BRLMs have no existing buyback arrangements for the purchase of Equity Shares being offered through the Offer.
19. None of the Directors or Key Managerial Personnel of our Company, except Piyush Prakashchandra Somani and Komal Somani hold any Equity Shares in our Company. For details, see "*Our Management-Shareholding of Directors in our Company*" on page 169.
20. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
21. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
22. None of our other Promoter or members of our Promoter Group will participate in the Offer, except to the extent of participation in the Offer for Sale by the Promoter Group Selling Shareholder.
23. Except for the Fresh Issue, the conversion of the Preference Shares and CCDs into Equity Shares and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.



## SECTION V – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

The Offer comprises the Offer for Sale and the Fresh Issue.

#### Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will be entitled to their pro rata proceeds from the Offer for Sale, net of their respective portion of the Offer related expenses. For further details, please see “-Offer Expenses” on page 94.

#### Fresh Issue

Our Company intends to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Purchase cloud computing equipment for our data centers;
2. Funding our long-term working capital requirements;
3. Repayment/pre-payment, in full or in part, of certain term loans availed by our Company; and
4. General corporate purposes

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds, as well as the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares.

#### Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (in ₹ million)
Gross proceeds of the Fresh Issue	3,220.00
(Less) Fresh Issue expenses <sup>(1)</sup>	[●]
Net Proceeds of the Fresh Issue (the “Net Proceeds”) <sup>(1)</sup>	[●]

<sup>(1)</sup> To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

#### Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Estimated amount (in ₹ million)
Purchase cloud computing equipment for our data centers	1,550.00
Funding our long-term working capital requirements	750.00
Repayment/pre-payment, in full or in part, of certain term loans availed by our Company	220.00
General corporate purposes <sup>(1)</sup>	[●]
<b>Total</b>	<b>[●]</b>

<sup>(1)</sup> To be finalised upon determination of the Offer 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 gross proceeds from the Fresh Issue.

#### Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ million)

Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Estimated deployment of the Net Proceeds		
			Fiscal 2022	Fiscal 2023	Fiscal 2024
Purchase cloud computing equipment for our data centers	1,550.00	1,550.00	520.00	770.00	260.00
Funding our long-term working capital requirements	750.00	750.00	300.00	450.00	-
Repayment/pre-payment, in full or in part, of certain term loans availed by our Company	220.00	220.00	220.00	-	-
General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]	[●]	[●]

<sup>(1)</sup>To be finalised upon determination of the Offer 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 gross proceeds from the Fresh Issue. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, 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 our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met due to the reasons stated above, such funds shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable law. In case the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if necessary and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds in accordance with the SEBI ICDR Regulations.

### Means of Finance

We propose to meet the requirement of purchasing cloud computing equipment for our data centres as mentioned below out of the Net Proceeds and our internal accruals. No amounts are proposed to be raised through any other means of finance. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance as prescribed under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VIII of the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

## Details of the Objects

### 1. Purchase cloud computing equipment for our data centers

We intend to capitalise on the growth of the cloud market by scaling our operations and by increasing our focus on mid-market enterprise customers by offering integrated cloud solutions, hybrid cloud business models and introduce new as well as enhance existing SaaS solutions for accelerated digital transformation of customers' businesses amongst other initiatives. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 1,550 million to purchase cloud computing equipment for our data centers. We may purchase additional cloud computing equipment for its data centers which will be funded through internal accruals or borrowings. Our existing data centers are located at Bengaluru, Mumbai and Nashik ("Data Centers"). In addition to our existing Data Centres, we also propose to build two new data centres at such locations in India as will be determined by our Board which may include locations at Navi Mumbai and Mohali ("New Data Centers").

Our Data Centers have been granted "Tier III" status by QSA International Limited and have received Green IT Infrastructure Award from the Department of Industries, Government of Maharashtra at the Maharashtra IT Awards, 2010. Our Data Centers have received the following certifications: ISO 9001:2015, ISO/IEC 27001:2013, ISO/IEC 20000-1:2018, ISO/IEC 22301:2019, SAP certified in cloud services and Rated Tier 3 by TIA 942 conducted by QSA International Limited.

The cloud computing equipment that we propose to procure for our existing Data Centres and New Data Centers will comprise of computer servers, data storage devices and electrical cabling and networking equipment. The total estimated cost of cloud computing equipment which is proposed to be funded by utilising a portion of the Net Proceeds is ₹ 1,550 million. The total estimated cost has not been appraised by any bank or financial institution. Details of the estimated cost which is proposed to be funded by utilising a portion of the Net Proceeds is set forth below:

*(in ₹ million)*

Sr No.	Particulars	Estimated cost*
1.	Computer servers	500.00
2.	Data storage devices	500.00
3.	Electrical and cable work and purchase of network equipment	550.00
<b>Total</b>		<b>1,550.00</b>

\*The total estimated cost for cloud computing equipment has been certified by Apt Data Center Consultants India LLP, an independent consultant through their certificate dated September 2, 2021.

#### *Computer servers:*

We propose to utilise a portion of the Net Proceeds aggregating to ₹ 500.00 million to expand our compute capacity at our data centres by purchasing servers with high configuration RAM and CPUs. These compute resources provide us with the necessary processing power required by various applications and systems to undertake computational tasks. An expansion of our compute resources will enable us to scale up our services which we provide under our IaaS, SaaS and managed services portfolio.

#### *Data storage devices:*

We propose to utilise a portion of the Net Proceeds aggregating to ₹ 500.00 million to expand our data storage capacities at our data centers by purchasing data storage devices. Data storage machines are critical to our data centre operations. We typically use high performance non-volatile memory express data storage machines and back-up data storage machines at our data centres.

#### *Electrical and cable work and purchase of network equipment:*

We propose to utilise a portion of the Net Proceeds aggregating to ₹ 550.00 million to undertake electrical and cable work and purchase additional network equipment at our data centers to support the additional computer servers and data storage devices that we propose to procure as mentioned above. The network equipment which we typically utilise in our data centers include management and provisioning switches, optical switches, spine switches, multiprotocol label switches and core routers.

The details of quotations received from various vendors towards cloud computing equipment is set forth below:

Sr. No.	Particulars	Estimated costs (in ₹ million)*	Name of supplier/vendor	Date(s) of quotation
1.	Computer servers	519.90 – 692.70	Dell, HPE, Lenovo	August 20, 2021 – August 23, 2021
2.	Data storage devices	442.02 – 620.83	Beetel, Dell, HPE, Lenovo, Redington	August 23, 2021 – August 27, 2021
3.	Electrical and cable work and purchase of network equipment	581.49 – 616.97	Dell, Exclusive Networks Sales India Private Ltd, Beetel, Extreme Networks, KOEL Diesel Generator, Powerica Cummins Diesel Generator, Mahindra Powerol Diesel Generator, Ashok Leyland Diesel Generator, Sterling Diesel Generators, Kanadia Fyr Fyter Pvt Ltd, Siemens Ltd, 3M, Schneider Electric, STULZ Indigenous, Shenling, Delta Electronics India Pvt Ltd, APC, IRBIS Riello, Socomec, Hitachi, Fuji Electric, Okaya, Rocket, Exide, Amaraja, Universal, Schneider, ABB, Crompton, Siemens, Kirloskar, Polycab, Havells, MRS Modular Rack System, In Art Interiors, WQ	June 6, 2021 – August 25, 2021

\*The estimated costs for various equipment has been certified by the Apt Data Center Consultants India LLP, an independent consultant through their certificate dated September 2, 2021 which includes quotations from various vendors which are valid as on the date of this Draft Red Herring Prospectus. The estimated costs for various equipment are disclosed on an aggregate basis based on quotations received from various vendors. The quotations which have been received from various vendors are typically valid for a period of 120 days.

We have not entered into any definitive agreements with any vendors from whom we have received quotations for supply of cloud computing equipment as mentioned above and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on management estimates. The amount proposed to be utilised from the Net Proceeds towards funding the purchase of cloud computing equipment as mentioned includes expenses towards incidental costs including applicable taxes, freight and insurance. We do not intend to purchase any second-hand machinery or equipment. In case of any increase in the costs of equipment or incidental costs, the additional costs shall be paid by our Company from its internal accruals. We have not placed any orders for purchase of equipment as on the date of this Draft Red Herring Prospectus.

Our Promoter, Directors and Key Managerial Personnel do not have any interest in the entities from whom we have obtained quotations in relation to purchase of cloud computing equipment as mentioned above.

## 2. Funding our working capital requirements

We fund a majority of our working capital requirements in the ordinary course of business from banks and internal accruals. As on June 30, 2021, our Company has total sanctioned limit of working capital facilities of ₹ 457.50 million, including fund-based and non-fund-based limits. The aggregate amounts sanctioned under the fund based and non-fund based working capital facilities of our Company as on June 30, 2020 are ₹ 200 million and ₹ 257.50 million, respectively. We intend to capitalise on the growth of the cloud market by scaling our operations and by increasing our focus on mid-market enterprise customers by offering integrated cloud solutions, hybrid cloud business models and introduce new as well as enhance existing SaaS solutions for accelerated digital transformation of customers' businesses amongst other initiatives. Accordingly, we propose to utilise ₹ 300 million and ₹ 450 million from the Net Proceeds to fund working capital requirements of our

Company in Fiscal 2022 and Fiscal 2023 respectively.

*Basis of estimation of working capital requirement*

The details of our Company's working capital as at March 31, 2019, March 31, 2020 and March 31, 2021 derived from the Restated Financial Statements, and source of funding are provided in the table below:

(in ₹ million)

Sr No	Particulars	Notes	Amount as at March 31, 2019*	Amount as at March 31, 2020*	Amount as at March 31, 2021*
<b>1</b>	<b>Current Assets</b>				
A	Trade receivables		500.01	460.88	466.24
B	Other current financial assets		306.77	186.84	350.58
C	Other current assets		155.06	369.62	247.10
	<b>Total current assets</b>	<b>(A)</b>	<b>961.84</b>	<b>1,017.35</b>	<b>1,063.92</b>
<b>2</b>	<b>Current Liabilities</b>				
A	Trade payables		231.91	322.76	247.55
B	Other current financial liabilities		79.77	119.20	91.36
C	Other current liabilities		123.78	96.87	126.02
	<b>Total current liabilities</b>	<b>(B)</b>	<b>435.46</b>	<b>538.82</b>	<b>464.93</b>
<b>3</b>	<b>Net working capital requirements</b>	<b>(C) = (A) – (B)</b>	<b>526.38</b>	<b>478.52</b>	<b>598.99</b>
<b>4</b>	<b>Existing funding pattern</b>				
A	Borrowings		116.47	150.70	101.86
B	Internal accruals/equity		409.92	327.83	497.13
	<b>Total</b>		<b>526.38</b>	<b>478.52</b>	<b>598.99</b>

\* The working capital details as at March 31, 2019, March 31, 2020 and March 31, 2021 and source of funding has been certified by our statutory auditor, Shah Khandelwal Jain & Associates pursuant to their certificate dated September 2, 2021.

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated August 26, 2021 has approved the projected working capital requirements for Fiscal 2022 and 2023 as set forth below:

(in ₹ million)

Sr No	Particulars	Notes	Estimated amount as on March 31, 2022*	Estimated amount as on March 31, 2023*
<b>1</b>	<b>Current Assets</b>			
A	Trade receivables		616.17	1,016.81
B	Other financial assets		424.29	532.18
C	Other current assets		206.53	201.53
	<b>Total current assets</b>	<b>(A)</b>	<b>1,247.00</b>	<b>1,750.52</b>
<b>2</b>	<b>Current Liabilities</b>			
A	Trade payables		248.67	409.08
B	Other financial liabilities		92.43	152.52
C	Other current liabilities		94.97	151.32
	<b>Total current liabilities</b>	<b>(B)</b>	<b>436.06</b>	<b>712.92</b>
<b>3</b>	<b>Net working capital requirements</b>	<b>(C) = (A) – (B)</b>	<b>810.93</b>	<b>1,037.60</b>
<b>4</b>	<b>Source of finance</b>			

Sr No	Particulars	Notes	Estimated amount as on March 31, 2022*	Estimated amount as on March 31, 2023*
A	Proceeds from the Offer		300.00	450.00
B	Internal accruals or borrowings		510.93	587.60
	<b>Total</b>		<b>810.93</b>	<b>1,037.60</b>

\*The projected working capital requirements for March 31, 2022 and March 31, 2023 has been certified by our statutory auditor, Shah Khandelwal Jain & Associates pursuant to their certificate dated September 2, 2021

#### Assumptions for working capital requirements

The table below sets forth the details of holding levels (in days) for Fiscal 2019, Fiscal 2020 and Fiscal 2021 as well as projections for Fiscal 2022 and Fiscal 2023:

Sr No.	Particulars	Number of days for the period ended*				
		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
1.	Trade receivables	135	106	99	100	100
2.	Other current financial assets	83	43	74	69	52
3.	Other current assets	42	85	52	34	20
3.	Trade payables	62	74	53	40	40
4.	Other current financial liabilities	21	27	19	15	15
5.	Other current liabilities	33	22	27	15	15

\*The details of holding levels as well as projections has been certified by our statutory auditor, Shah Khandelwal Jain & Associates pursuant to their certificate dated September 2, 2021

#### Key assumptions for working capital projections

The table below sets forth the key assumptions for our working capital projections:

Sr No.	Particulars	Assumptions
<b>Current assets</b>		
1.	Trade receivables	Historically, the holding levels of trade receivables have ranged from 99-135 days in last three financial years. We have assumed receivables of 100 days for Fiscal 2022 and Fiscal 2023.
2.	Other current financial assets	The key items under this head are unbilled revenue, short term loans and advances and security deposit against leased assets. We have assumed levels of 69 days and 52 days for Fiscal 2022 and Fiscal 2023 respectively.
3.	Other current assets	The key items under this head are balances with statutory authorities, income tax assets, prepaid expenses and advances to creditors and employees. Balances with statutory authorities primarily includes GST credit receivable. We have assumed levels of 34 days and 20 days for Fiscal 2022 and Fiscal 2023 respectively.
<b>Current liabilities</b>		
3.	Trade payables	Historically, the holding levels of trade payables have ranged from 53 – 74 days in last three financial years. We have assumed receivables 40 days for Fiscal 2022 and Fiscal 2023 based on recent trend of reduced payment cycle to creditors with an intent to receive competitive pricing from vendors.
4.	Other current financial liabilities	The key item under this head is unearned revenue. We have assumed levels of 15 days for Fiscal 2022 and Fiscal 2023.
5.	Other current	The key items under this head are accrued employee liabilities, statutory

Sr No.	Particulars	Assumptions
	liabilities	liabilities, advance from customers, provision for expenses and other payables. We have assumed levels of 15 days for both Fiscal 2022 and Fiscal 2023.

### 3. Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company

We avail majority of our fund based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions, including in the form of term loans, working capital loans and equipment loans. For further information on the financial indebtedness of our Company, see “*Financial Indebtedness*” on page 278. As of June 30, 2021, we had total borrowings of ₹ 713.98 million. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 220.00 million for full or partial repayment or prepayment of certain term loans availed by our Company.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay, prepay or refinance some of its existing borrowings prior to Allotment. Our Company may avail further loans after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans. Accordingly, in case any of the below loans are pre-paid or further drawn down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment/pre-payment of such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of term loans (including refinanced or additional facilities availed, if any), in full or part, would not exceed ₹ 220.00 million.

We believe that such repayment or prepayment will help us reduce a portion of our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt-to-equity ratio of our Company is intended to enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The selection of term loans proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. Our Company will approach the relevant lenders after completion of this Offer for repayment/prepayment of the borrowings.

The following table provides details of term loans availed by our Company, which are currently proposed to be fully or partially repaid or pre-paid up to the extent of ₹ 220.00 million from the Net Proceeds:

Sr. No.	Name of the lender	Nature of the borrowing	Purpose of borrowing <sup>(1)</sup>	Sanctioned Amount (in ₹ million)	Amount outstanding as at June 30, 2021 (in ₹ million)	Interest rate (%)	Repayment schedule	Prepayment penalty
1.	SIDBI	Revolving line of credit	Capital expenditure	100.00	26.71	10.00	48 monthly instalments	Nil

Sr. No.	Name of the lender	Nature of the borrowing	Purpose of borrowing <sup>(1)</sup>	Sanctioned Amount (in ₹ million)	Amount outstanding as at June 30, 2021 (in ₹ million)	Interest rate (%)	Repayment schedule	Prepayment penalty
2.	Tata Capital Financial Services	Term loan	Capital expenditure	50.00	36.53	12.00	48 monthly instalments	4% on the amount to be prepaid.
		Term loan		38.80	6.47	12.65		
3.	State Bank of India	Term loan	Capital expenditure	25.00	20.18	10.20	60 monthly instalments	2% on the amount to be prepaid + GST
		Term loan		112.50	80.58			
4.	Axis Bank Limited	Term loan	Capital expenditure	18.00	8.74	8.75	33 monthly instalments	2% on the amount to be prepaid.
		Term Loan		25.00	21.42	8.80	60 monthly instalments	
		Term loan		114.00	61.43	8.75	60 monthly instalments	

<sup>(1)</sup> Our statutory auditor Shah Khandelwal Jain & Associates have confirmed that the above borrowings have been utilised for the purpose for which they were availed pursuant to their certificate dated September 2, 2021.

As mentioned above, we propose to repay or pre-pay a loan obtained by our Company from Axis Bank from the Net Proceeds. Whilst, Axis Bank is an affiliate of Axis Capital Limited, one of the BRLMs, it is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and such loan sanctioned to our Company by Axis Bank, has been sanctioned to our Company as part of the normal commercial lending activity by Axis Bank. Accordingly, we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations.

#### 4. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the gross proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, without limitation, strategic initiatives, funding growth opportunities, strengthening marketing capabilities and brand building exercises, meeting ongoing general corporate contingencies, expenses incurred in ordinary course of business, working capital requirements, business requirements of our Company, payment of lease liabilities, repayment of borrowings of the Company and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

#### Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Bank(s) and Sponsor Bank to the Offer,



processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be shared among the Company and each of the Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued pursuant to the Fresh Issue and offered by each of the Selling Shareholders in the Offer

Provided that all Offer-related expenses shall initially be borne by our Company and each of the Selling Shareholders shall reimburse the Company for respective proportion of the expenses upon the successful completion of the Offer. Upon successful completion of the Offer, or at the time the Offer is withdrawn or not completed for any reason whatsoever, each of the Selling Shareholders shall reimburse our Company their proportionate share of the Offer-related expenses (other than the fees and expenses in relation to the legal counsel to the Selling Shareholders).

The estimated Offer expenses are set forth in the table below:

<i>(in ₹ million)</i>			
Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(1)(2)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees to regulators, including Stock Exchanges	[●]	[●]	[●]
Others	[●]	[●]	[●]
(i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses;			
(ii) Printing and distribution of stationery;			
(iii) Fees payable to legal counsels and other advisors; and			
(iv) Miscellaneous.			
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

\* Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change

<sup>(1)</sup> Selling commission payable to SCSBs, on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows would be as follows:

Portion for Retail Individual Investors*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable taxes)

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

<sup>(2)</sup> No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Investors	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Investors	₹ [●] per valid application (plus applicable taxes)

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

Sponsor Bank	₹ [●] per valid Bid cum Application Form (plus applicable taxes)  The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable law
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(4) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

Portion for Retail Individual Investors*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable taxes)

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

### Interim use of funds

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits only with one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Bridge loan

Our Company has not raised any bridge loans from any banks or financial institutions, which are proposed to be repaid from the Net Proceeds.

### Monitoring of utilisation of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus, as the Fresh Issue size exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial

results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

### **Variation in objects**

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, being the regional language of Maharashtra, where our Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with Section 13(8) and other applicable provisions of the Companies Act, our Articles of Association, and the SEBI ICDR Regulations.

### **Appraising entity**

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilised have been appraised by any bank/financial institution.

### **Other confirmations**

Except to the extent of the proceeds received by the Promoter Group Selling Shareholder pursuant to the Offer for Sale portion, none of our Promoter or members of the Promoter Group, Directors or Key Managerial Personnel will receive any portion of the Offer Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

## BASIS FOR THE OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times the face value of the Equity Shares. Investors should also refer to “*Our Business*”, “*Risk Factors*”, “*Restated Consolidated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 134, 28, 188 and 265, respectively, to have an informed view before making an investment decision.

### Qualitative factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- a. Our comprehensive and integrated range of offerings that provide a “one stop shop” for managed cloud solutions to a diversified and marquee clientele;
- b. Our robust and scalable business model with multiple levers of growth;
- c. Our innovative billing solutions that derive value to customers;
- d. Our leadership position in the industry with a proven track record; and
- e. The strength and experience of our senior management team.

For further details, see “*Our Business – Competitive strengths*” on page 136.

### Quantitative factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For further information, see “*Financial Information*” on page 188.

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

#### I. Basic and diluted earnings per share (“EPS”)

Fiscal	Basic EPS* (₹)	Diluted EPS** (₹)	Weight
March 31, 2021 as per the Restated Consolidated Financial Statements	1.03	0.96	3
March 31, 2020 as per the Restated Consolidated Financial Statements	0.04	0.04	2
March 31, 2019 as per the Restated Consolidated Financial Statements	2.49	2.39	1
Weighted Average	0.94	0.89	-

\* Pursuant to a resolution of our shareholders dated July 26, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 5,222,100 equity shares of ₹10 each to 52,221,000 Equity Shares of ₹1 each. Basic EPS and diluted EPS has been calculated after giving effect to such sub-division.

# Our Company has on August 19, 2021 allotted of 673,591 Class C CCPS to South Asia Growth Fund II Holdings, LLC and 4,339 Class C CCPS to South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited). Such allotment of Class C CCPS has not been given effect to in the calculation of diluted EPS.

Notes:

Basic EPS =  $\frac{\text{Restated net profit after tax for the year attributable to the owners of the Company}}{\text{Weighted average number of equity shares and potential equity shares outstanding during the year post sub-division of equity shares}}$

Diluted EPS =  $\frac{\text{Restated net profit after tax for the year attributable to the owners of the Company}}{\text{Weighted average number of diluted equity shares and potential equity shares outstanding during the year}}$

#### II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2021 as per the Restated Consolidated Financial Statements	[●]	[●]
Based on diluted EPS for Fiscal 2021 as per the Restated Consolidated Financial Statements	[●]	[●]

#### Industry Peer Group P/E ratio

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

### III. Return on Net Worth (“RoNW”)

As per Restated Consolidated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2021	2.99	3
March 31, 2020	0.14	2
March 31, 2019	12.53	1
Weighted Average	3.63	-

Notes:

Return on Net Worth (%) =  $\frac{\text{Restated net profit after tax for the year attributable to the owners of the Company}}{\text{Restated equity attributable to owners of the Company excluding the reserves created out of revaluation of assets}}$

### IV. Net asset value per Equity Share (face value of ₹ 1 each)

I. Restated Net Asset Value per Equity Share as per the Restated Consolidated Financial Statements:

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	34.57
After the Offer	
(i) Floor Price	[●]
(ii) Cap Price	[●]
(iii) Offer Price	[●]

Notes:

Net Asset Value per share =  $\frac{\text{Restated equity attributable to owners of the Company excluding reserves created out of revaluation of assets}}{\text{Number of equity shares outstanding during the year post sub-division}}$

### V. Comparison with listed industry peers

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

### VI. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building process. Our Company and the Selling Shareholders, in consultation with the BRLMs are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 28, 134, 265 and 188, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 28 and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,

**The Board of Directors**  
**ESDS Software Solution Limited**  
B – 24 and B – 25, Nice Area  
M.I.D.C, Satpur  
Nashik 422 007  
Maharashtra, India

**Re: Proposed initial public offering of equity shares (the “Equity Shares”, and such offering, the “Offer”) of ESDS Software Solution Limited (the “Company”)**

1. The accompanying Statement of Possible Special Tax Benefits available to the Company and its shareholders (hereinafter referred to as the “**Statement**”) under the direct tax laws including the Income-tax Act, 1961 as amended by the Finance Act, 2021, and the indirect tax laws read with respective rules, regulations, circulars, notifications, orders, etc., presently in force in India as on the date of this Statement (hereinafter referred to as the “**Indian Tax Regulations**”) has been prepared by the management of the Company (“**Management**”) in connection with the proposed Offer, which we have initialed for identification purposes.

#### **Management’s Responsibility**

2. The preparation of the Statement as of the date of our certificate which is to be included in the draft red herring prospectus for the Offer is the responsibility of the Management and has been approved by the board of directors of the Company at its meeting held on 26<sup>th</sup> August, 2021 for the purpose set out in paragraph 8 below. The Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

#### **Auditor’s Responsibility**

3. Our work has been carried out in accordance with the Standards on Auditing, the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.
4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the “**SEBI ICDR Regulations**”) and the Companies Act, 2013, along with the rules thereunder, each as amended (the “**Companies Act**”), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders in accordance with Indian Tax Regulations as at the date of our certificate
5. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Companies Act and the SEBI ICDR Regulations in connection with the Offer.

#### **Inherent Limitations**

6. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive and also do not cover any general tax benefits available to the Company.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a 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 Offer.

Further, we give no assurance that the revenue authorities / courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

### **Opinion**

7. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this certificate, to the Company and its shareholders, in accordance with the Indian Tax Regulations

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

### **Restriction on Use**

This certificate is addressed to and is provided to enable the board of directors of the Company to include this certificate in the draft red herring prospectus, red herring prospectus and the prospectus prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and Registrar of Companies, Maharashtra at Mumbai as applicable.

Yours faithfully,

For and on behalf of **Shah Khandelwal Jain & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No: 142740W

**Ashish Khandelwal**  
Partner  
Membership No.: 049278

Place: Pune  
Date: September 2, 2021  
UDIN: 21049278AAAAKZ1707

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ESDS SOFTWARE**

## **SOLUTION LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)**

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

### **UNDER THE TAX LAWS**

#### **A. Special tax benefits available to the Company**

There are no special tax benefits available to the Company under the Tax Laws.

#### **B. Special tax benefits available to Shareholders**

There are no special tax benefits available to the Shareholders under the Tax Laws

### **NOTES:**

1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

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.

For **ESDS Software Solution Limited**

*Director*

Place: Nashik

Date: September 2, 2021



## SECTION VI - ABOUT OUR COMPANY

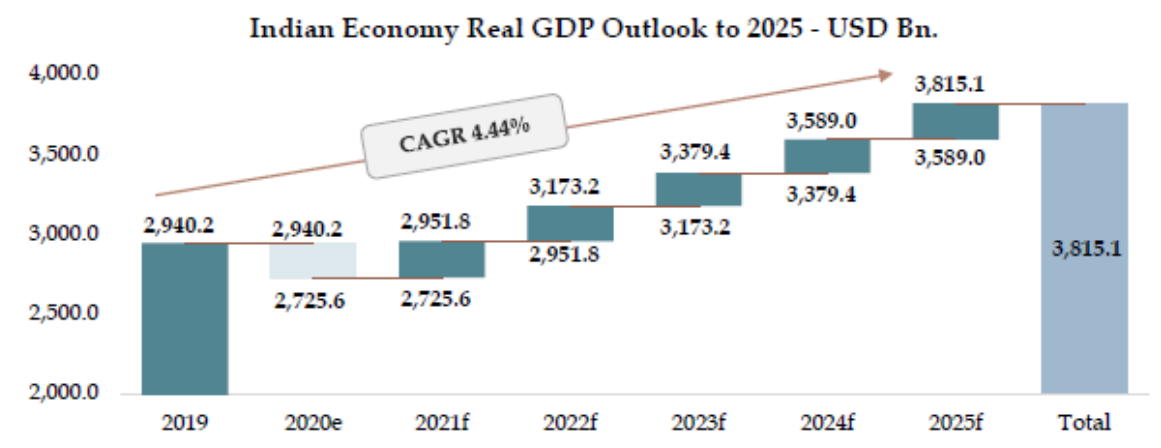
### INDUSTRY OVERVIEW

The information in this section is obtained and extracted from the report titled “India Cloud Services and Data Centre - 2020 - 2025” published in August, 2021 prepared and released by Ken Research, specifically for the purposes of this Offer, which has been commissioned and paid for by our Company (the “Ken Research Report”). The data included herein includes excerpts from the Ken Research Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information which may be relevant for the proposed Offer, that have been left out or changed in any manner. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Forecasts, estimates, predictions, and other forward-looking statements contained in the Ken Research Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. For the disclaimer of Ken Research Report, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation-Industry and Market Data” on page 18. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

#### Overview of the Indian economy

The Indian economy began the decade of 2010s on signs of high growth, fuelled by early recovery and limited effects on output from the financial crisis of 2008 - 2009. From a robust growth of 9% in 2010, the economy slowed to a modest growth rate of 4.5% during 2019. The share of sectors contributing to the GDP has also changed, with the services sector contributing 49.4% to the GDP and contribution of agriculture and industry sectors fell to 16.0% and 27.3%, respectively, in 2019.

The following illustration demonstrates the real GDP forecast outlook of the Indian Economy (from 2019 to 2025)

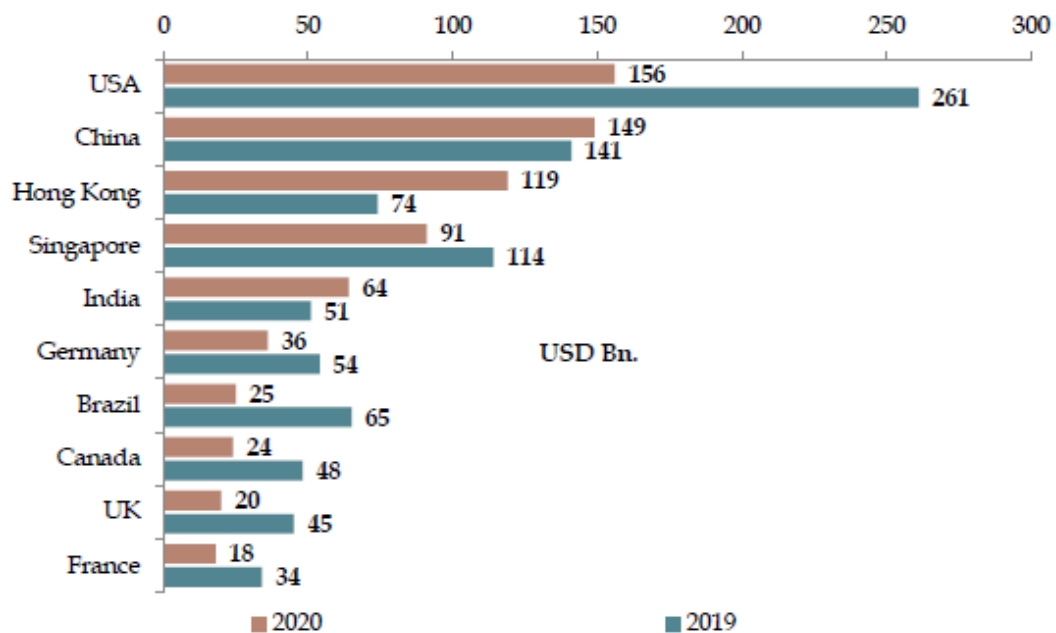


Source: World Bank Real GDP Growth Forecast and Ken Research Analysis

In 2020, India ranked at 63<sup>rd</sup> among 190 economies, in terms of ease doing business, an increase in 76 positions from the all-time low position of 139 in 2010. India is one of the top offshoring destinations for IT companies across the world. In Fiscal 2021, India attracted the highest ever FDI net inflow of USD 81.7 billion, making it the 8<sup>th</sup> highest FDI recipient nation. Amongst the industry sectors, “Computer Software and Hardware” has emerged as the top sector during Fiscal 2021, with a share of approximately 44% of the total FDI equity inflows to India. Some of the key growth drivers of IT industry in India are low cost of operations, supportive Governmental policies, availability of skilled workforce, surging demand for IT related technologies such as

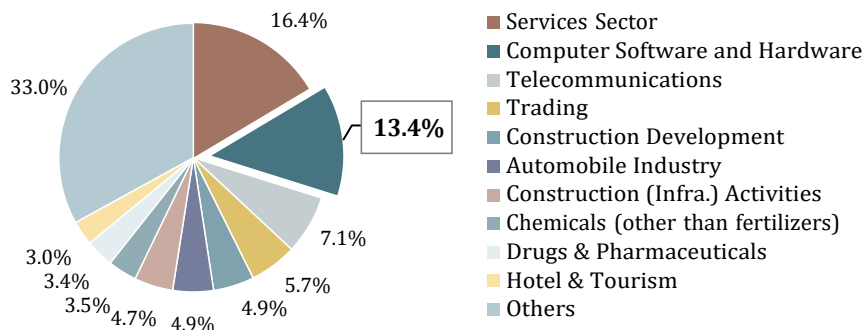
cloud computing, digital payments, IoT, developments in telecommunications and BFSI etc. and export demand growth.

The following illustration demonstrates the top FDI recipient economies and the change in FDI inflows (in USD billion), during 2019-20



Source: UNCTAD Investment Trends Monitor

The following illustration demonstrates the sector wise cumulative allocation of FDI inflows to India during Fiscals 2001 to 2021

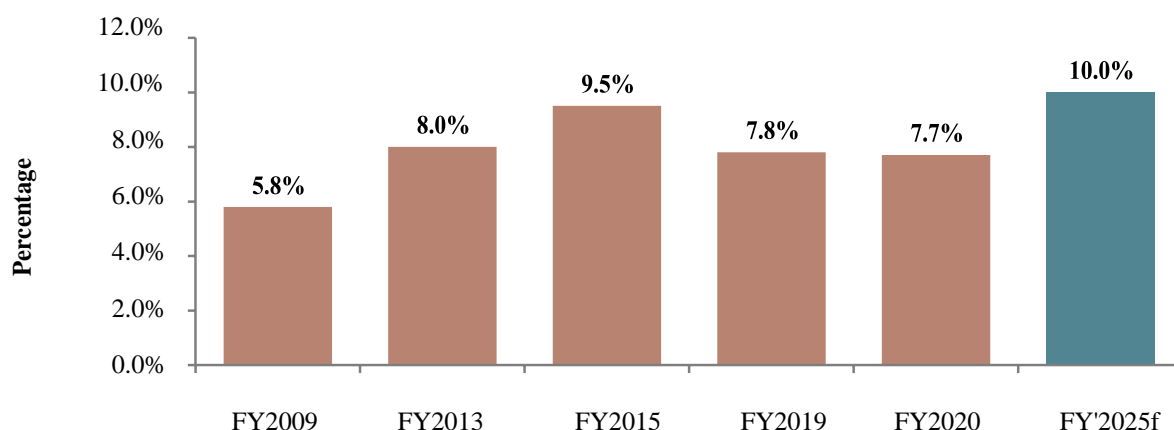


Source: Dept. for Promotion of Industry and Trade, India

### Overview of IT/ITES sector in India

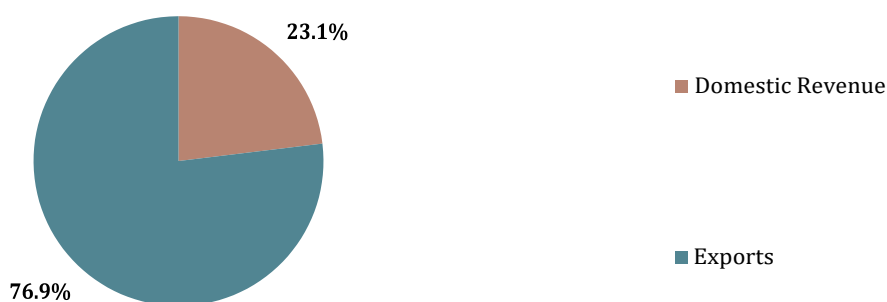
One of the predominant factors that has resulted in the increasing value contributed by the services sector to the GDP is the IT/ITes sector, which is valued at USD 45 billion (domestic revenue) and USD 150 billion (export revenue) as at end of Fiscal 2021. As of 2020, India's IT workforce accounts for 4.36 million employees. It is further expected that IT spending in India could reach US\$ 93 billion in 2021 (7.3% growth year on year) and further increase to US\$ 98.5 billion in 2022, driven by rapid digitization and the IT industry's timely transition to remote working environments that helped to keep up the industry's growth amid the Covid-19 pandemic. It is forecasted that the contribution of IT industry to India's GDP will reach 10% by Fiscal 2025.

The following illustration demonstrates the contribution of the IT/BPM sector to India's GDP (in %) between Fiscals 2009 and 2020 and the forecast for Fiscal 2025



Source: Ken Research Analysis

The following illustration demonstrates the segmentation of IT/BTM sector revenue basis domestic and exports during Fiscal 2021



Source: Industry Articles, Ken Research Analysis

The following table demonstrates the revenue segmentation of the IT/BPM industry between domestic sales and exports (in USD billion) during Fiscal 2021 and Fiscal 2025 (estimates)

Parameter	Fiscal 2020	Fiscal 2021	Fiscal 2025 (estimates)	Growth Rate (Fiscal 2020-21)	CAGR (Fiscals 2020-25)
IT Exports	147	150	166	1.9%	2.6%
Domestic Revenue	43	45	54	3.4%	3.4%
Total	190	194	220	2.3%	2.3%

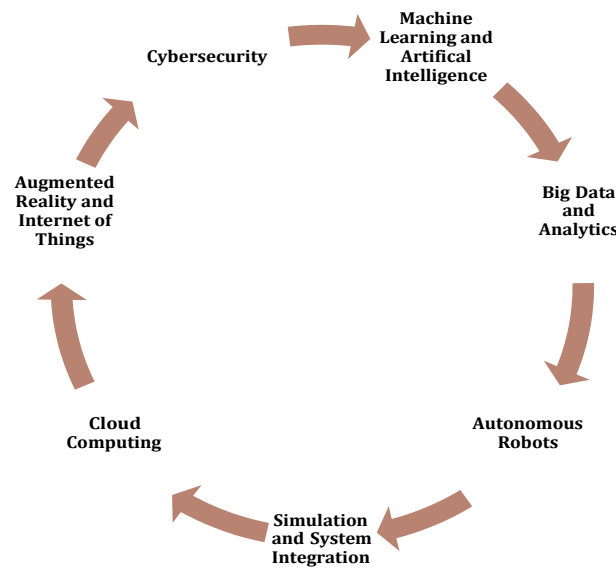
Source: Industry Articles, Ken Research Analysis

### The role of cloud and data center industry in the goal of achieving a USD 5 trillion economy

In July 2015, the Government of India launched a 'Digital India Programme', with a vision of propelling the efforts to transform India into a digitally empowered society and knowledge economy. Further, it was envisaged that the digital ecosystem could generate economic value of USD 1 trillion, which would play a crucial role in achieving the USD 5 trillion economy target by 2025. As part of the program, the Government identified 30 digital themes across different sectors such as agriculture, healthcare, education, energy, digital payments etc., which relies on a 21<sup>st</sup> century IT/ITES, highlighting opportunities for increased adoption of digital technologies.

The wave of IT adoption led by cloud computing, has allowed firms to transform the backend operations, resulting in enhanced value proposition for the customers. Cloud service gives companies of any size access to technological capabilities, which were previously accessible to large enterprises only. In India, the industry has gained momentum with more than 200 data centers and more than 10 cloud operators, targeting an industry market size of USD 3.8 billion in Fiscal 2020.

The following illustration demonstrates the key technologies shaping the “Digital Transformation of India” in 2020



Source: Industry Articles and Ken Research Analysis

### The impact of Covid-19 in the acceleration of the cloud services market

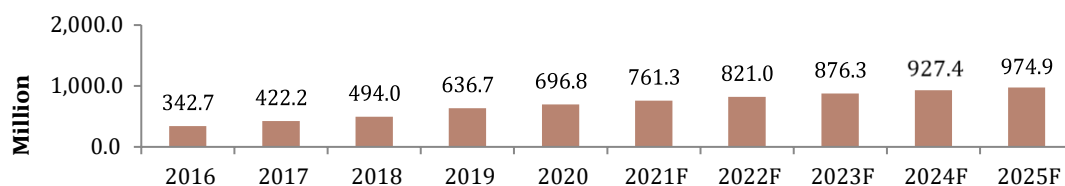
The cloud services market in India was undergoing a cloud transition phase, which got accelerated by the perpetuation of Covid-19 in 2020. During the first quarter of 2020, spending of enterprises on cloud infrastructure increased by ~35%, compared to the fourth quarter of 2019. The shift of work culture from office set-ups to virtual work generated the urgent need of secure, reliable, scalable, and cost-effective technology services across the country. SaaS has been a huge support for the sudden increase in the mobile workforce in 2020. The Indian cloud infrastructure witnessed a y-o-y growth of around 15% by the end of 2020.

The hybrid cloud witnessed the majority investment as compared to public and private cloud model during the pandemic. In accordance with Enterprise Cloud Index report, over 65% of Indian organizations, due to Covid-19, increased their investments in hybrid cloud.

As per the IT spending survey, more than 65% of India’s enterprises have realized the benefits of opting for cloud in terms of acquiring new clients, serving the existing customer base and achieving good profitability. ~81% of corporate organizations have adopted cloud services in the wake of the pandemic, with the implementation of work from home culture. Since the outbreak of the pandemic, the Indian organizations have become more data driven in terms of their decision making; thereby leading to the growing use of cloud technology to make optimal utilization of insights from data. The demand for adoption of cloud computing for application by the educational institutions has also gained momentum during the pandemic period.

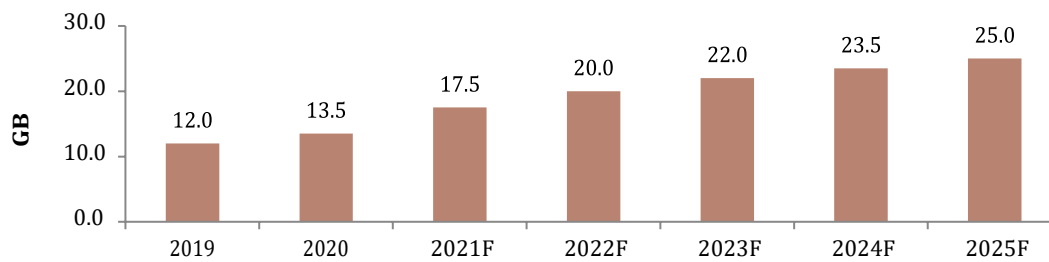
### Factors Driving Growth

The following illustration demonstrates the number of internet users in India (in million) during 2016-2025 (estimates)



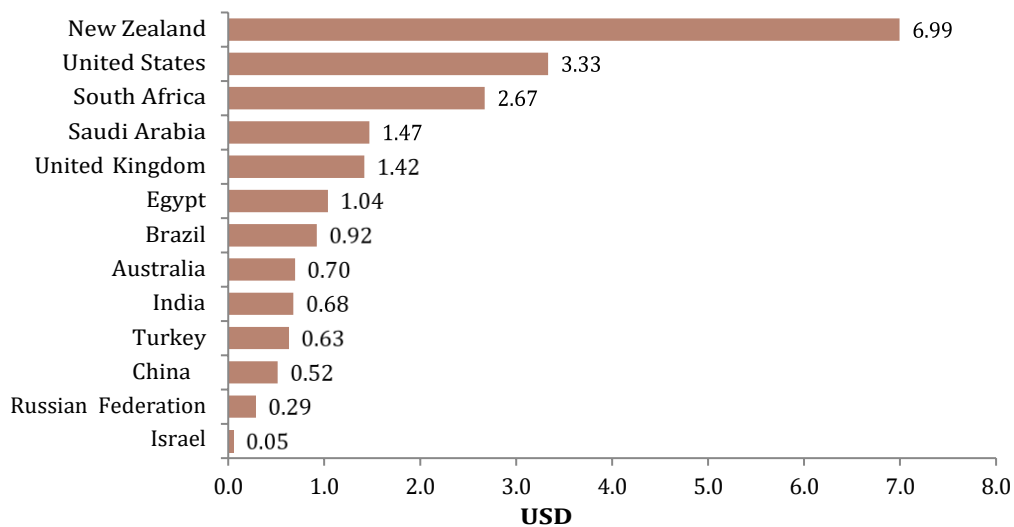
Source: Industry Articles

The following illustration demonstrates the average volume of data generated per user - monthly, 2019-2025 (estimated)



Source: Industry Articles and Ken Research Analysis

The following illustration demonstrates the cost comparison of 1GB data among select countries, 2021



Source: Industry Articles

### Demand and Supply Side Factors – IT/ ITES sector

The following are the key demand side factors and recent developments –

#### Booming Internet Penetration

- The drastic fall in cost of 1 GB data from INR 269 in 2014 to INR 6.7 in 2020, coupled with improved availability infrastructure has led to increase in the internet penetration from 35% in 2016 to 45% in 2021.
- During 2016-20, India added ~354 Mn internet users totaling 696.7 Mn users in 2020. It is further expected to grow to ~975 Mn by 2025.
- In 2021, there were 448 Mn active social media users, comprising 32% of total population.

#### Quantum of Data Generated

- On average, Indians used 13.5 GB data per month in December 2020, owing to an increase in data subscribers and consumption of mobile-video content.
- The data consumption is expected to double to 25 GB per month per user by 2025, fueled by introduction and adoption of 5G, change in working patterns, augmented consumption of mobile-video content led by COVID-19 and affordable pricing.
- It is also expected that mobile data traffic per month will grow at a CAGR of 23% from 4.6 exabytes in 2018 to 16 exabytes in 2024.

#### Opportunity for Targeting Global Clients

- Indian IT firms hold a strong reputation for its IT and software related competencies globally. The emergence of SaaS unicorns and increased recognition on global stages has further fostered the confidence. Traditionally being considered as IT outsourcing market, India is now shifting to product developer and service provider stage.
- >70% of IT/BPM industry revenue has been attributed to exports, led by IT services accounting for 54% of total export value followed by software products and engineering services at 23%.

#### *Level of Digital Operations*

- In 2020, there were 63 Mn MSMEs in India contributing 29% to national GDP. Currently, 2-3% of such MSMEs possesses digital operations and depicts huge potential to serve the un-served segment.
- It is expected that the adoption of digital operations by SMEs could more than double to 6-8% by 2025 owing to changing buying trends of customers and key initiatives by government to boost economic output from MSMEs.

The following are the key supply side factors and recent developments –

#### *Submarine Cable Network*

- India had access to 17 submarine cable projects, which connected India with rest of world with Mumbai, Chennai, Cochin, Tuticorin and Pondicherry being the landing cities for submarine cables in India.
- More investments are expected into new projects to enhance the connectivity network with world. For instance, it is anticipated that two submarine cables by Reliance Jio (India-Asia-Xpress) and (India- Europe-Xpress) would be operational by 2023. These cables would connect India indirectly with the US through Southeast Asia and Europe.

#### *Power Capacity*

- As at end of Fiscal 2021, the total power generation capacity of India increased from 1,173.6 BU in Fiscal 2016 to 1381.8 BU in Fiscal 2021, which is a CAGR of 3.3%.
- During April 2018, India achieved 100% electrification in all 597,464 villages, further strengthening the availability across the country.
- Further, the Government's focus to produce 175 GW of renewable energy by 2022 paves way for investments in greenfield data center projects.

#### *Construction Activity in Data Centers*

- While 25 projects are operational, 20 are under development, 20 construction projects have been announced and 5 projects are being planned, the construction activity in building data centers is important to augment capacity.
- Few of state governments including Maharashtra are allotting dedicated land to build data centers in the region.
- It is estimated that investments in data center industry would reach USD 5 billion by 2025, up from USD 3.4 billion in 2019.

#### *Availability of Engineering Staff*

Easy availability of skilled staff, especially engineers, could result in effective and efficient operations of data center. In 2019, around 2.5 million students were enrolled in 6,214 engineering and technology institutions and 880,000 students were involved in computer science engineering.

#### **Outlook of IT/ITES sector in India**

The IT/ITES sector is the largest employer within India's private sector and its revenue is estimated to reach US\$ 194 billion in Fiscal 2021, an increase of 2.3% year on year. In Indian Budget of 2021, the Government of India allocated USD 7.3 billion to the IT and the telecom sector and has also provided tax holidays to the IT sector for Software Technology Parks of India and Special Economic Zones. As of February 2020, there were 421 SEZs across the country, out of which 276 belonged to the IT/BPM sector.

The push towards cloud services has boosted hyper-scale data center investments, with global investments estimated to exceed ~US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit ~US\$ 5 billion annually by 2025. Further, the accounting of revenue expected to be gained from digitally underserved MSMEs of India could further provide a major boost to the IT sector. Even small firms in the unorganized sector are realizing the need to have an all round run time of mission critical applications, digital customer acquisition and servicing tools, which has been further accentuated by COVID-19. Backed on key technologies of artificial intelligence, machine learning, big data and analytics, IoT, the IT/ITes sector in India is expected to benefit immensely from the increased adoption across end-user firms of all types and sizes.

### **Government initiatives for promoting cloud services**

#### *1. GI cloud – Meghraj*

The Government of India launched the GI Cloud Initiative called “Meghraj”, implemented through NIC, to accelerate the delivery of e- services in the country while optimizing information and communications technology spending of the Government. With the launch of this program, optimum utilization of cloud infrastructure and faster deployment of eGov applications could be ensured. The focus of the initiative will be to evolve a strategy and implement various components including governance mechanism to ensure proliferation of cloud in Government.

#### *2. Government’s e-marketplace (GEM)*

The government e-market place is hosted by the Directorate General of Supplies and Goods (DGS&D), where the common user goods and services can be procured. Presently, more than 7,400 products in about 150 product categories and hiring of transport service are available on GeM POC portal. The GeM is a completely paperless, cashless and system driven e-market place that enables procurement of common use goods and services with minimal human interface.

#### *Government investment on national optic fiber network (NOFN)*

The NOFN is a project launched by the Government under the “Digital India” initiative. Implementation of the project was undertaken by Bharat Broadband Nigam Limited, a SPV created for the project. The Government investment on the NOFN is leading to the growth of the cloud services market in India.

#### *E-governance*

The Government is embracing cloud computing technology for expanding its e-governance initiatives throughout the country. The cloud computing in e-governance leads to significant cost savings. It entails use of computing hardware and software infrastructure and applications that are remotely hosted. E-governance with cloud computing offers integration management with automated problem resolution, manages security end-to-end, and helps budget based on actual usage of data.

### **Adoption & usage of cloud by the Government for its key projects**

Across the world, government departments have initiated automation of business and IT processes through Government SaaS or PaaS initiatives, aimed at digitalization of services. Such digitization initiatives have been accentuated by the Covid-19 pandemic, increase in the use of mobile phones, rapid increase in subscription based cloud services, increase in use of biometric authentication, regulatory enforcement of individual privacy, etc. Government institutions are progressively migrating their workloads on cloud as their existing legacy systems are not scalable and secure.

The Government of India implemented its ambitious digital India program to address the infrastructural weaknesses that will lead to significant growth in the cloud industry in India. These include (a) “DigiLocker”, a digital wallet, which is a cloud-based platform for sharing and verifying critical documents and certificates. As of 2020, the platform provides access to over 3.45 billion digital documents, (b) “e-Gram Panchayat”, an initiative to simplify and enhance internal Government operations, (c) Indian Railways on cloud - The Indian railway sector faced monetary losses due to poor management on the number of people carrying rail tickets. In order to avoid such loss, the Government decided to implement cloud technology for Indian railways, (d) “Kisan

Suvidha”, a digital portal to help farmers with the relevant information instantly, (e) “e-hospital”, a cloud based healthcare project implemented by the Government to ease the process of healthcare management. Cloud technology offers to store medical records in multiple virtual platforms like IaaS, SaaS and PaaS.

### Advanced metering infrastructure and smart meter national program for enabling smart grids by the Government

In order to establish the goal of pan-India universal electricity access, the Government is enabling smart grids, which can offer affordability and other benefits to consumers. To realize the goal of implementing smart grids, an Advanced Metering Infrastructure (AMI) is being implemented. AMI is the collective term to describe the entire infrastructure, from smart meter to two way- communication network to control center equipment and all the applications that enable the gathering and transfer of energy usage information in near real-time. AMI also eliminates the need for on-site meter reading and helps in energy theft detection and improvement in system reliability. The Smart Meter National Program (SMNP) aims to replace India’s 250 million conventional meters with smart meters. Installation of these smart meters along will require an associated communication and IT infrastructure such as the Meter Data Management System, which receives, stores and analyzes the metering information. Consumer data gets stored in a third-party cloud-based server, with safeguards to data privacy. Cloud computing can also accommodate large scale data interactions that take place on smart grids.

### Government’s spending

*IT and digital census:* The Indian Government allocated a budget of INR 545 billion for IT adoption in 2021, which is leading to the growth of the cloud services market in India. The Government of India allocated INR 465 billion for IT in 2019, which is focused towards the adoption of artificial intelligence, cloud technology and block chain.

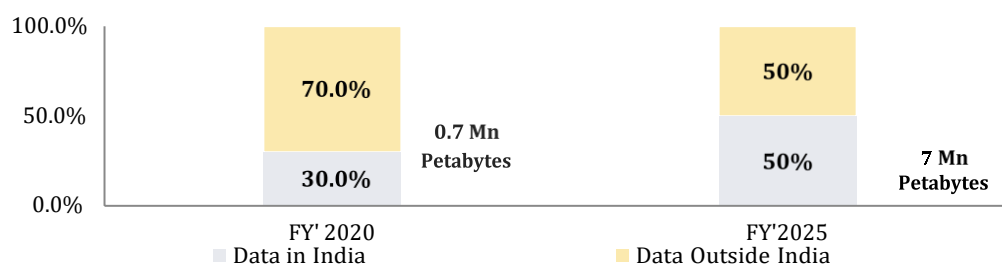
### Data localization policy

India is one of the largest generators of data currently, with a growing young “tech-savvy” population. Digital data in India was around 40,000 petabytes in 2010 and it has likely shot up to 2.3 million petabytes by 2020 — twice as fast as the global rate, as per a report by ASSOCHAM. India’s data consumption is expected to increase at a CAGR of 16% to 25 GB per month by 2025 from 12 GB per month in 2020. In order to store such data locally, the following initiatives are relevant for discussion:

*The Data Protection Act* - suggested by the Srikrishna committee, it aims at protecting the data of citizens by storing it locally. Another reason for data localization is to help government form better domestic policies for its citizens; RBI has already come out with the mandate for companies to store all the financial data locally.

*Foreign Companies showing Interest* - Amazon has invested around USD 197 million (Rs 1,380 crore) in its data services arm in India. Similar aggressive plans have been announced by ByteDance, Google, Microsoft and many financial institutions. Flipkart has been strengthening its technology infrastructure as well and opened its third data center in Hyderabad in 2019 after Chennai and Mumbai. SEBI has also announced its intention to come up with guidelines that will mandate foreign entities to store data pertaining to India locally.

*The following illustration demonstrates the share of data stored in India and the share of data stored outside India as on August 31, 2020*



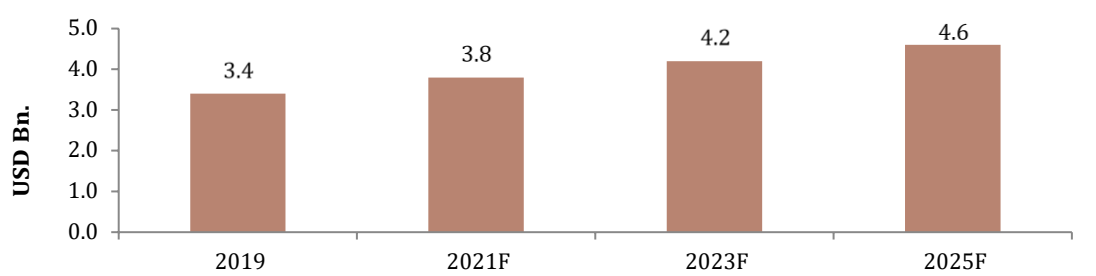
Source: Interview with Industry Experts, Ken Research Analysis

### Pan-India Data Center Policy



The Central Government released a comprehensive Draft Data Center Policy in November 2020 which focuses on (a) ease of doing business - provide infrastructure status to the data center sector, simplifying clearances for setting up data centers in India and Formulation of Data Center Incentivization Scheme (DCIS) for promotion of data center parks, (b) enabling a favourable ecosystem - ensure reliable power, internet connectivity and business continuity, recognize data centers as a separate category under the National Building Code because of the requirement of different norms with respect to other commercial buildings/offices and data centers to be declared as “essential services”, under “The Essential Services Maintenance Act, 1968”, (c) setting up data center SEZs - Setting up of at least 4 data center economic zones (DCEZ) in India as a central sector scheme and creating an ecosystem of hyperscale data centers, cloud service providers, IT companies, R&D units and other allied industries and (d) Promoting Indigenous Technology Development - to encourage local manufacturing, establishing joint ventures with foreign companies, human resource development by promoting research and capacity building.

The following illustration demonstrates the investments in the Indian data center industry in (USD billion) during 2019 to 2025 (estimates)

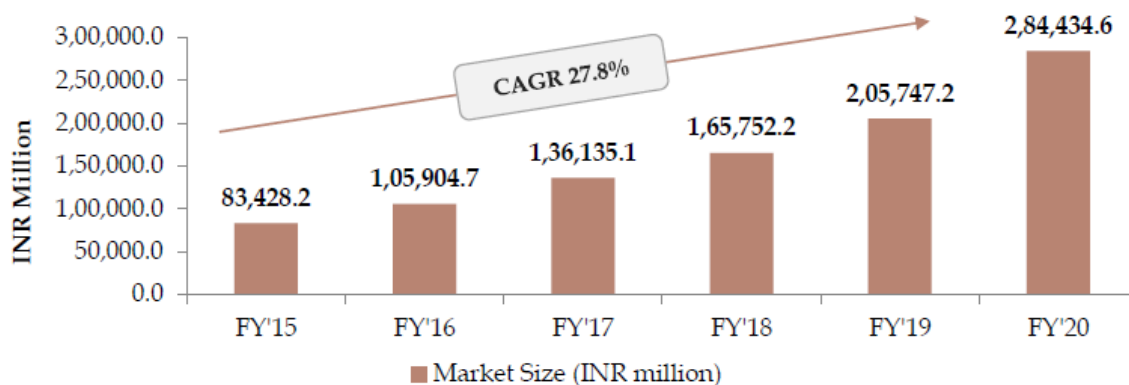


Source: Industry Articles, NASSCOM

### Overview of cloud services market

Indian cloud services market has grown at a CAGR of 27.8% during 2015 to 2020 and is expected to grow at a CAGR of 34.7%, from INR 284.4 billion in 2020 to INR 1,261.7 billion in 2025.

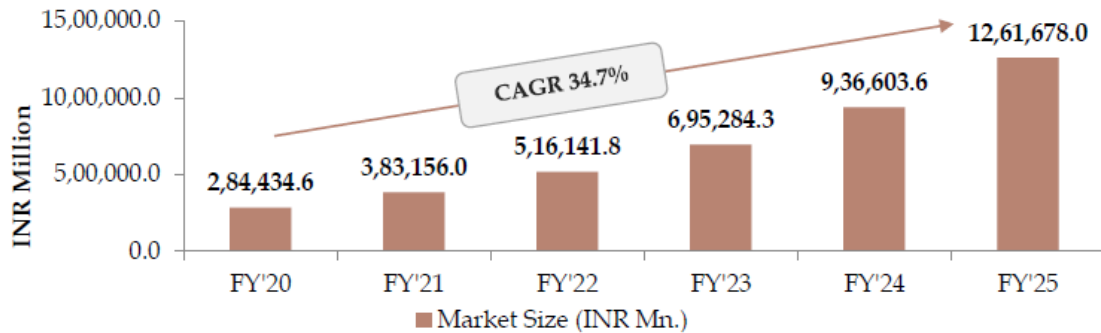
The following illustration demonstrates the cloud services market size in India by revenue (in INR Cr) and growth (%) – Fiscal 2015 to Fiscal 2020



Source: Interview Conducted with Industry Experts in India Cloud Service Market, Ken Research Analysis

Note: The market includes only public cloud revenue

The following illustration demonstrates the cloud services market size in India by revenue (in INR million) and CAGR (%) – Fiscal 2020 – 2025



Source: Interview Conducted with Industry Experts in India Cloud Service Market, Ken Research Analysis

Note: The market includes only public cloud revenue

The cloud services market consists of sales of cloud services by entities such as organizations, sole traders and partnerships that provide cloud services or the delivery of information technology resources and applications on-demand through an Internet platform. Cloud service companies provide access to storage, servers, databases and other application services which are managed by networking hardware. Services provided by the cloud service companies include backup, storage, email, creating and testing apps, delivering software on demand and others. Cloud infrastructure is present in all cloud computing deployment models such as:

- **Private Cloud:** Private cloud is a cloud infrastructure operated solely for a single organization and operates on a dedicated infrastructure.
- **Public Cloud:** Public cloud is a public, hyperscale, multi-tenant platform where computing services can be reserved or rented on demand. These resources are available over the internet and allow customers to provision and scale services instantly without the time and cost associated with purchasing dedicated infrastructure. Applications, storage and other resources are shared by multiple customers.
- **Hybrid Cloud:** A hybrid cloud model includes a combination of private and public cloud offerings. It is a composition of a public cloud and a private environment, such as a private cloud or on-premises resources, that remain distinct entities but are bound together, offering the benefits of multiple deployment models

Community clouds are a hybrid form of private clouds built and operated specifically for a targeted group. The Community Cloud Service ensures compatibility among each of its users, allowing them to modify properties according to their individual use cases. They also enable companies to interact with their remote employees and support the use of different devices, be it a smartphone or a tablet. This makes this type of cloud solution more flexible to users' demands.

Growing adoption on cloud services in various sectors such as BFSI, Government, healthcare, education and others is contributing to the growth of cloud services market. India's plan to have a digital economy would create \$ 1 trillion worth of economic opportunities by 2025 thereby helping the cloud industry grow.

### Models of cloud computing

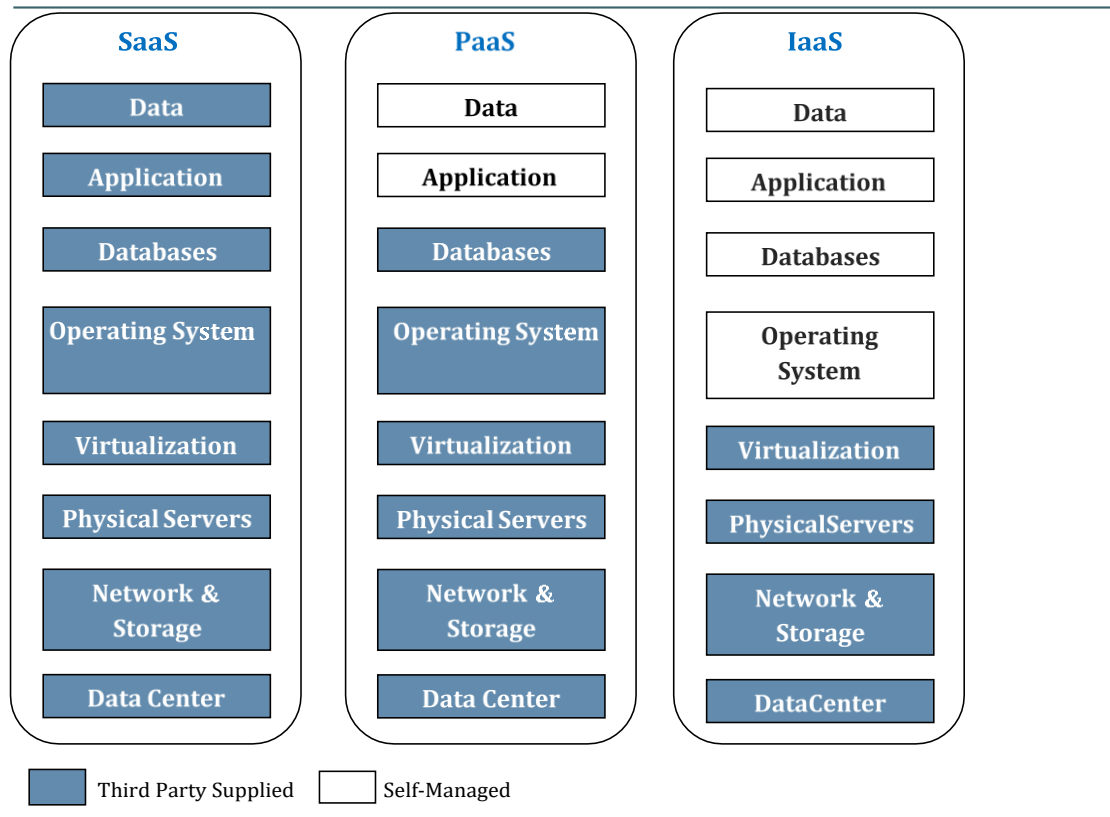
There are 3 major types of service models: SaaS, PaaS and IaaS. These service models on the basis of control of service provider on each type of service provided.

**SaaS:** SaaS is software licensing model in which access to the software is provided on a subscription basis, with the software being located on external servers rather than on servers located in-house. Application examples – File sharing, email, calendars, customer retention management, and human resources

**PaaS:** PaaS provides customers a complete platform—hardware, software, and infrastructure—for developing, running, and managing applications without the cost, complexity, and inflexibility of building and maintaining that platform on-premises.

**IaaS:** These are self-service models for accessing, monitoring and controlling remote data center infrastructures like storage, networking, networking services etc.

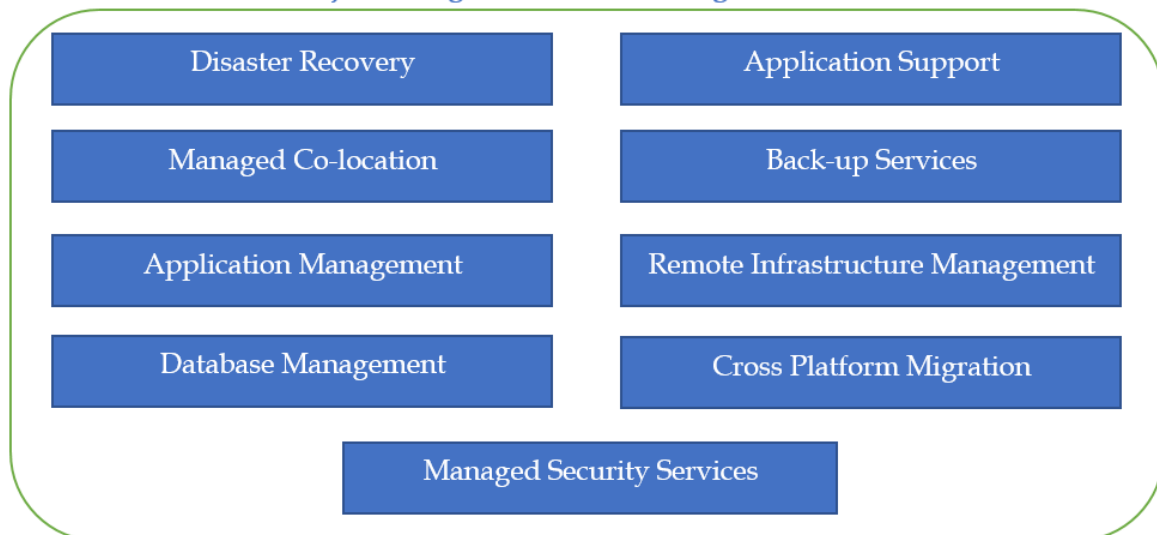
The following illustration demonstrates the difference between SaaS, PaaS and IaaS on the basis of management control over various services:



Source: Ken Research Analysis

**Overview of Managed Services in India (including Managed Security Services)**

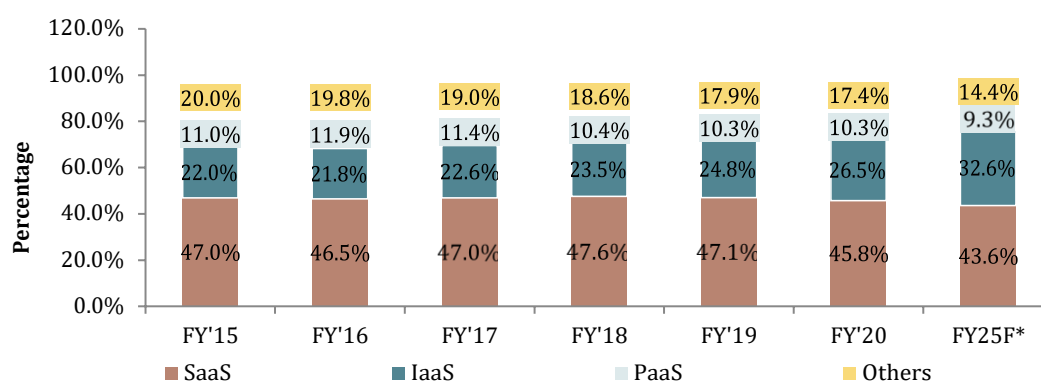
**Major Managed Services Offerings in India**



**Market segmentation by type of cloud services – Fiscal 2015 – 2020 and 2025 (projections)**

The following illustration demonstrates the cloud services market segmentation in India by type of cloud services

on the basis of revenue (%), Fiscal 2015 - 2020, and projections for Fiscal 2025



Source: Interview Conducted with Industry Experts in India Cloud Service Market, Ken Research Analysis

Note: Others include Cloud Managed and Security Service and Cloud Business Process Service (BPaaS)

\*Projections are based on the simple extrapolation method, by assuming that trends in the past will continue till FY25

The following table demonstrates the cloud services market segmentation in India by type of cloud services on the basis of revenue (in INR Million) – Fiscal 2015 - 2020 and projections for Fiscal 2025

Cloud Services	Fiscal 2015	Fiscal 2020	CAGR Fiscal 2015-2020	Fiscal 2025 (projections)	CAGR Fiscal 2020 – 2025 (projections)
IaaS	18,354	75,486	32.7%	411,935	40.4%
SaaS	39,211	130,286	27.1%	550,409	33.4%
PaaS	9,177	29,215	26.1%	117,244	32.0%
Managed cloud services (including BPaaS)	16,686	49,447	24.2%	182,089	29.7%
<b>Total</b>	<b>83,428</b>	<b>284,435</b>	<b>27.8%</b>	<b>1,261,678</b>	<b>34.7%</b>

Source: Interview Conducted with Industry Experts in India Cloud Service Market, Ken Research Analysis

Note: Managed cloud services (including BPaaS) means Cloud Managed and Security Service and Cloud Business Process Service (BPaaS)

\*Projections are based on the simple extrapolation method, by assuming that trends in the past will continue till FY25

Cross comparison by type of cloud services (IaaS, SaaS and PaaS) including role of service provider, advantage, limitation, end users, business model, cost benefit & companies

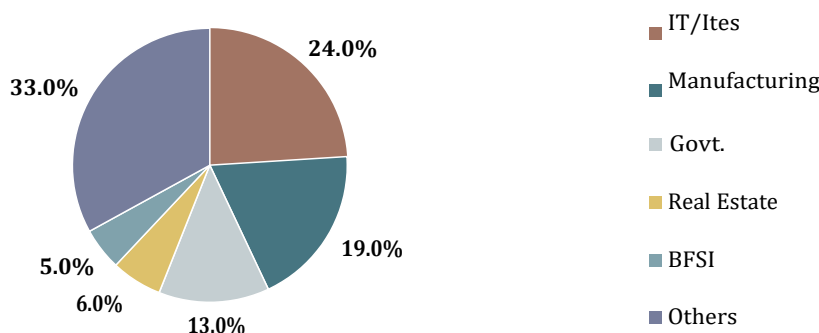
Particulars	IaaS	SaaS	PaaS
Role of Service Provider	The role of the service provider is to provide the basic infrastructure necessary for hosting cloud applications. The subscriber has control over the processing, storage and platform related choices	The consumer uses the application provided by the service provider. The consumer does not have the control over the infrastructure, platform or the software	The consumer seeks support related to infrastructure as well as operating system and storage from the service providers
Advantage	IaaS solutions are highly flexible and highly scalable and Accessible by multiple users	Easy access of the software from any device, anytime	It is the most cost- effective and time- effective way for a developer to create a unique application
Major End Users	BFSI, Healthcare, E-Commerce	Education, Healthcare	IT/ITes, Banks
Projected End Users	BFSI, Education, Retail	Education, Retail, Logistics	Media & Entertainment, Healthcare, Banks

Particulars	IaaS	SaaS	PaaS
Business Model	Pay-as-you-go for services such as storage, networking, and virtualization	Mostly Subscription model with a fixed, inclusive monthly account fee.	Per-Use Basis, Fixed Subscription
Cost Benefit	Eliminate upfront capital costs of managing and setting up an on-site data centre	Zero installation & maintenance cost; eliminate the cost of acquiring, provisioning and maintaining the hardware.	Lower software maintenance cost; eliminate the cost of software licensing & yearly maintenance fees

The following table demonstrates the cross comparison by end user industry (IT/ITES, Manufacturing, Government, Real Estate, BFSI and others) including market size, companies, cloud service preferred and location

	Market Size (INR million) (FY'20)	Cloud Service Preferred
<b>IT/ITes</b>	68,264	IaaS, PaaS
<b>Manufacturing</b>	54,043	SaaS
<b>Government</b>	36,976	PaaS, SaaS
<b>Real Estate</b>	17,066	IaaS, PaaS
<b>BFSI</b>	14,222	IaaS, SaaS
<b>Other</b>	93,863	SaaS, PaaS and IaaS

The following illustration demonstrates the cloud services market segmentation in India by industry (IT/Ites, Manufacturing, Government, BFSI and others) on the basis of revenue (%) – Fiscal 2020



Source: Interview Conducted with Industry Experts in India Cloud Service Market, Ken Research Analysis

Note1: Others include Retail, E-Commerce, Telecom, Transport & Logistics

Note2: Manufacturing Segment includes Automotive, Electronics, Chemicals and Textile

### Surging cloud adoption in various industry verticals

Cloud industry in India is witnessing a surge in adoption by various industry verticals such as Government sector, manufacturing industry, IT Industry and others. IoT services, big data, and cloud computing are expected to integrate where cloud computing is expected to play the role of a common platform for IoT.

The Government of India is embracing cloud computing technology for expanding its e-governance initiatives throughout the country. The Ministry of Communications and IT is planning to adopt cloud computing and has plans to create IT enabled services, applications and policies towards achieving full benefits in different government initiatives.

The use of cloud computing is growing in the manufacturing sector with surging use of CRM and supply chain applications which provide better connectivity to external stakeholders and customers. Cloud enhances manufacturing effectiveness in areas such as data warehousing, information security, green IT, and many others.

With increasing number of IT companies and ISPs in India, cloud IaaS model is helping SMEs to have access to latest infrastructure thus reducing their in-house infrastructure costs.

### Competitive landscape

In cloud services industry, ESDS operates across Managed Cloud Services, Cloud IaaS, SaaS and Security Services.

Company	Service Focus	Revenue CAGR (FY'18- FY'20)	3 Yr Average EBITDA Margins (FY'18- FY'20)
ESDS	Cloud Managed Services (incl. Security Services), Cloud IaaS and SaaS	26.2%	33.2%

#### A. Competitive landscape of cloud service companies in India (Indian Origin)

Company	Service Focus	Revenue CAGR (FY'18- FY'20)	3 Yr Average EBITDA Margins (FY'18- FY'20)
Netmagic (NTT)	Co-location & Cloud services	22.4%	22.0%
STT	Co-location & Cloud services	8.8%	46.0%
CtrlS	Public Cloud Dedicated Servers Co-location & Disaster Recovery	41.0%	26.4%
Nxtra	Co-location Managed Hosting & Remote Infrastructure Management	80.0%	16.4%
Sify	Managed firewall services & PaaS & SaaS services	6.8%	20.6%
Nxtgen	Co-location Disaster Recovery Managed Security Cloud IaaS	15.1%	19.8%
Web Werks	Dedicated Server Hosting Disaster Recovery Cloud Hosting	20.2%	22.0%

#### B. The SaaS ecosystem in India

The domestic SaaS market has witnessed rapid growth in the last few years and below is the snapshot of various players operating in this segment.



Sources: NASSCOM reports, Secondary research, Ken Research Analysis

**Cloud scalability**

Clouds can be scalable vertically or horizontally.

*Vertical scaling:* Vertical scaling refers to adding more resources (CPU/RAM/DISK) to one’s server (database or application server is still remains one) as on demand. Vertical Scaling is most commonly used in applications and products of middle-range as well as small and middle-sized companies. Vertical Scaling usually means upgrade of server hardware. Some of the reasons to scale vertically include increasing IOPS (input/ output operations), amplifying CPU/RAM capacity, as well as disk capacity.

*Horizontal scaling:* Horizontal Scaling is a must-use technology whenever a high availability of (server) services are required. Scaling horizontally involves adding more processing units or physical machines to one’s server or database. It involves growing the number of nodes in the cluster, reducing the responsibilities of each member node by spreading the key space wider and providing additional end points for client connections. Horizontal Scaling has been historically much more used for high level of computing and for application and services. Although this does not alter the capacity of each individual node, the load is decreased due to the distribution between separate server nodes.

**Pain points solved by cloud services in India**

1. *Limited data center scalability* - Data center operators struggle to scale sufficient infrastructure to facilitate more demanding IT requirements (such as increasing compute, storage and network needs). Cloud services have proved to be highly scalable, as an organization can increase or decrease resources in order to support business growth of save money during slower periods.
2. *High cost* - Cloud services save the organizations from spending huge cost for storage services. The cloud service provider handles the server maintenance, power and cooling cost, software licensing and upgrade expenses for their clients.
3. *Lack of cost effective pricing models* - Cloud technology is a subscription model, which gives its users the flexibility to scale up or down the resources which leads the CSPs to bill their end customers on a pay per use basis.

**Hybrid cloud services market in India**

A hybrid cloud is a composition of a public cloud and a private environment, such as a private cloud or on-premises resources, that remain distinct entities but are bound together, offering the benefits of multiple deployment models. A hybrid cloud service crosses isolation and provider boundaries so that it can't be simply put in one category of private, public, or community cloud service. It allows one to extend either the capacity or the capability of a cloud service, by aggregation, integration or customization with another cloud service. The primary benefit of a hybrid cloud is agility.

Indian enterprises have started adopting hybrid clouds to gain the combined benefits of both public and private cloud. The increasing use of hybrid clouds is likely to boost the Indian economy as its adoption is benefiting the organizations, becoming more flexible and straightforward with enhanced data security.

### ***Multi cloud service in India***

Multi cloud is the use of multiple cloud computing and storage services in single network architecture. Organizations that do not prefer depending on a single cloud provider choose to use resources from several providers to get the best benefits from each unique service. A multi cloud service may be a combination of SaaS, PaaS and IaaS models.

Multi cloud service refers to the distribution of cloud assets, software, applications and other several cloud environments. Multi cloud can be a mix of both public and private cloud, which is used to eliminate the reliance of an organization on any single cloud provider.

India witnessed acceleration in cloud adoption during the pandemic in 2020, especially as enterprises adopted new technologies to address their needs. Multi-cloud adoption has emerged as a valuable cloud strategy that is enabling enterprises to become more agile so that they can scale up and down as needed and avoid vendor lock-in.

### ***Multi cloud opportunities over the next 2-3 years***

India is poised for significant growth as workforce talent and costs, sales maturity and advanced technologies create an attractive environment for companies to develop into globally competitive enterprises. According to NASSCOM, the domestic demand for multi cloud service is increasing as companies of all sizes are digitalizing and opportunities are improving for small and medium enterprises. Investments in SaaS start-ups are also enabling the country to grow into a global supplier of cloud services. Currently, around 22% of enterprises in India are using a multi-cloud environment, which is anticipated to reach 50% by 2023.

The country is witnessing a massive influx of data from big data analytics and other application. To manage this, companies are moving towards multi cloud to avoid their reliance on a single organization or a single type of cloud service.

### ***Benefits of using a multi cloud service***

#### **ROI optimization**

Enterprises that are adopting a multi-cloud strategy are seeking constant availability and low latency, scalability, better data quality, and improvements in ROI. The multi cloud strategy allows the organizations to pick and choose the specific type of solutions that would work the best for their organization. As diverse business needs arise & change and become more complex, the business can allocate resources for specific uses, maximize those resources and pay for only what they use.

#### **Advanced security**

The multi cloud service empowers organizations by maintaining strict security compliance while optimizing computing resources. Multi-cloud also reduces the risk that a distributed denial of service (DDoS) attack could take mission-critical applications offline. When even a single hour of downtime can cost an organization thousands, advanced security protocols pay for themselves.

#### **Freedom of choice**



A single cloud provider may not necessarily provide an organization with all type of cloud computing services it requires. Many financial stakeholders may be wary of vendor lock-in, as well. An organization has the full liberty to choose different service provider for different cloud services considering different factors such as a cost, transparency, lock in period, value added services and others. In this type of cloud environment organization doesn't have to rely on a single service provider for the cloud services.

#### Reliable Architecture

Organizations utilizing multiple cloud solutions create redundancies that reduce the risk of a single point of failure. Multi-cloud reduces the likelihood that a single service failure will take the entire enterprise offline. Adding hybridization adds another level of security by keeping sensitive data within a secure, local network.

#### Better disaster preparedness

The chances of concurrent downtime across multiple cloud vendors are extremely low. Some major cloud service providers have impressive service level agreements that protect their clients against downtime. By leveraging two or more of these services, risk of disaster decreases significantly as long as they are geographically distributed.

#### An insight into the technological transition and adoption of advances

Parameters	Description
Public Cloud Services	Indian public cloud services spending is expected to grow at a CAGR of 29%, from INR 384 billion in 2020 to INR 1,103.4 billion in 2025.
IoT	The IoT market was estimated at USD 9 billion at fiscal 2020 (as per projections in 2016).
Big data and business analytics	Big data and business analytics revenue was estimated to be valued at USD 4 billion by 2019, up from USD 2 billion in 2016, with growth at a CAGR of 25%. The growth, driven primarily by IT/ITes, has increased the demand for data storage space (data centers).

Source: Global Summit, Gujarat

#### Increasing adoption of big data, analytics, artificial intelligence and internet of things (IOT)

The growth of cloud services market in India is driven by increasing adoption of big data, artificial intelligence and IoT.

IoT connects multiple devices or appliances that need to be connected to the internet for reasons including automation and real-time control of the device. IoT connected devices such as household appliances, connected cars, and electronics, use a cloud based backend to communicate and store information.

Artificial intelligence is being embedded into IT infrastructure to help streamline workloads and automate repetitive tasks. Companies are using cloud infrastructure to collect, store, process and analyse huge bulk of data required for artificial intelligence tools and applications.

Surging adoption of big data in India is also leading to the growth of the cloud services market as cloud infrastructure allows for real-time processing of big data.

#### Market Size of Global and Indian IoT, Big Data and Artificial Intelligence Industry, 2020

Industry	Global (USD Bn.)	Global (INR Bn.)	India (USD Bn.)	India (INRBn.)
Internet of Things (IoT)	300.0	22,287.0	15.0	1,114.3
Big Data	56.0	4,160.2	2.0	148.6
Artificial Intelligence	29.9	2,218.3	0.4	29.2

Source: Interview Conducted with Industry Experts in India Cloud Service Market, Industry Article, Ken Research Analysis

#### Lack of innovation in IT department

The Indian enterprises have witnessed a lack in the innovations in their IT department. Traditional IT manages on-premise hardware and software in India. Surging adoption of cloud by the Indian organizations has helped in transforming the IT department and allowed their staff to focus more energy on innovation, rather than on maintenance. It has now made eased the process to implement new technology solutions in minimal time, without needing to purchase or maintain new hardware at all.

### *Self-service management*

Cloud management platform solutions support self-service cloud resource management, which means that enterprises can provision resources for their cloud environment themselves rather than being delivered a set amount of resources. A cloud management platform can help organizations determine if they are using the optimal amount of resources for their business needs. That can help them determine the correct amount of resources to request from their cloud provider in the future

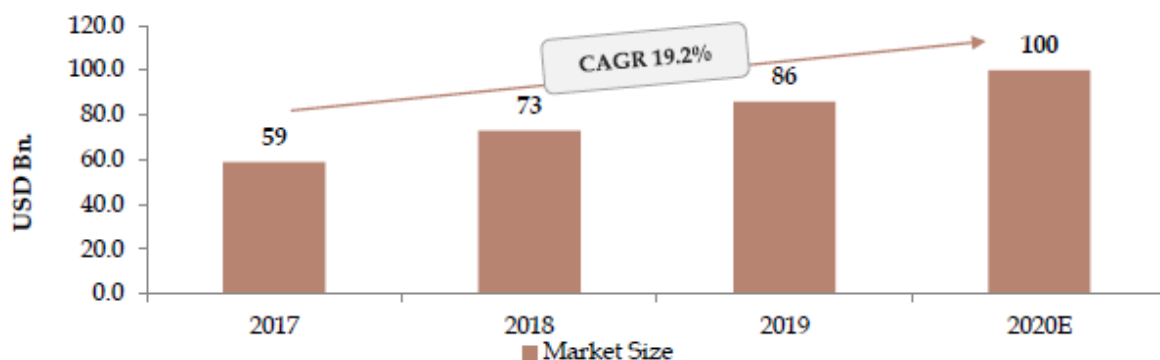
### *Must have features in a cloud management platform*

- **Insights:** A good cloud management tool should give insights to help the company visualize their usage, utilization, and cost of current infrastructure and track their cost consumption across all cloud resources. Insights will help the organization eliminate waste and reduce the overall costs.
- **Compliance:** A cloud management tool should bring in regulatory compliance and should have default or user-defined policies and continuously monitor the cloud for managing the compliance rules
- **Logs Monitoring:** The ability to unify monitoring processes by providing logs from all the major resources makes a cloud management tool unique.
- **Savings:** A cloud management tool should be able to provide cost savings by giving the capability to hibernate client’s unused resources and provides insights into each service with estimated savings. This is beneficial as it can lead to a lower the TCO while it ensures that the infrastructure is healthy.

### **The SaaS Industry**

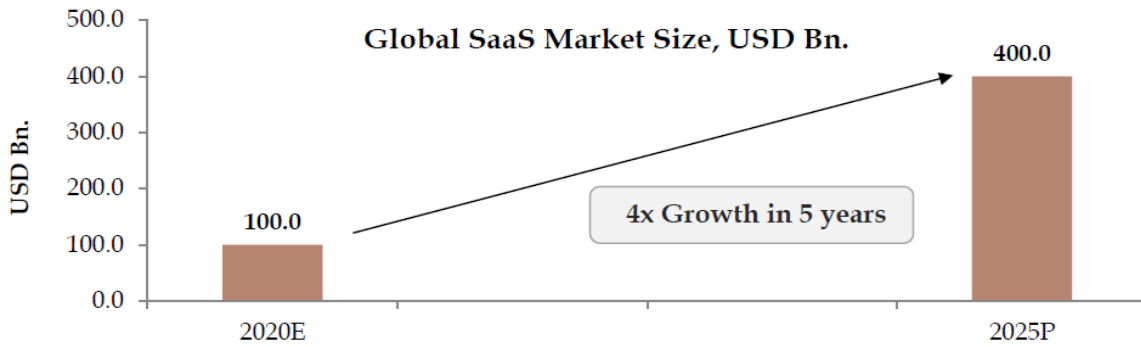
The industry size of Global SaaS market was estimated to be around USD 100 Bn. in 2020, growing at a CAGR of 19.2% during 2017-2020E. The increase was led by increased awareness of SaaS Technologies in key regions of America’s and Asia Pacific.

*The following illustration demonstrates the market size of the global SaaS industry in USD billion during 2017 to 2020 (estimated)*



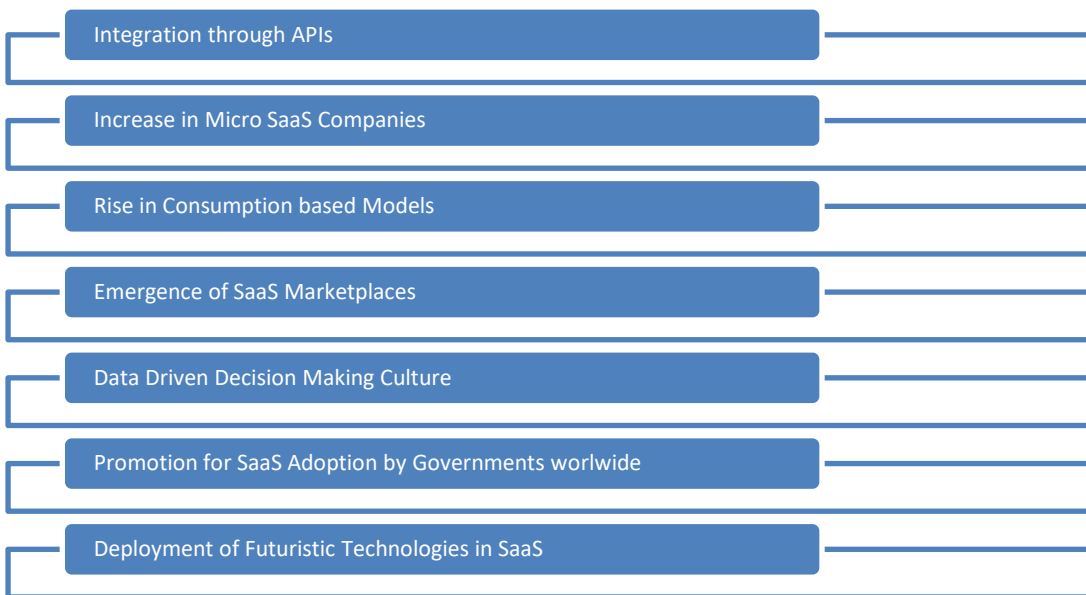
*Source: NASSCOM Report, Industry Articles and Ken Research Analysis*

*The following illustration demonstrates the market size of the global SaaS industry in USD billion during 2020 (estimated) to 2025 (projected)*



Source: NASSCOM Report, Industry Articles and Ken Research Analysis

*Growth drivers and trends in the global SaaS industry – 2021*

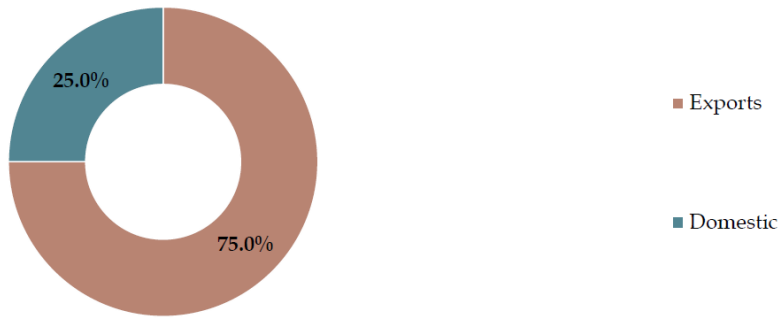


The global SaaS market is expected to grow multifold in next few years owing to increased awareness among enterprises for its usage, advancement in technologies and corresponding introduction of new products and offering (vertically and horizontally), supply side enablers providing consumption based models etc. In 2018, Canada ranked first with 8.6% spends on SaaS as a percentage of software and services industry, followed by USA and Russia at 6.6%. It was estimated that around 4.0% spend on SaaS was incurred as a percentage of Software and Services Industry in India. However, India SaaS industry is expected to occupy 7-9% share in the global SaaS industry by 2022, fuelled by India’s competitive edges compared to world in terms of low cost structure, abundance of engineering talent, increasing acceptance of Indian products across the globe and effective customer service.

**SaaS industry overview in India**

The Indian SaaS market has grown at a CAGR of ~30% over the last 2 years and is valued at \$3.5 billion in Fiscal 20. The growth is attributable to global focussed revenue accounting for ~75% of the overall market.

*The following illustration demonstrates the split of SaaS revenue by source (in %) – Fiscal 2020*



The domestic SaaS market has witnessed rapid growth in the last few years owing to the various drivers:

- Lack of advanced features in the legacy software which has led to enterprises moving away from older version of the software to the ones mostly available on cloud,
- Better product fit with the products leading to faster adoption,
- Greater opportunities in the SMB sector being tapped by developing specific solutions towards them,
- Increased start-ups that use SaaS solutions for their business and have inspired traditional businesses to adopt to the new technology.

The following illustration demonstrates the split of SaaS revenue by type of companies (in %) – Fiscal 2020



Note: Pure play refers to the Indian SaaS companies.

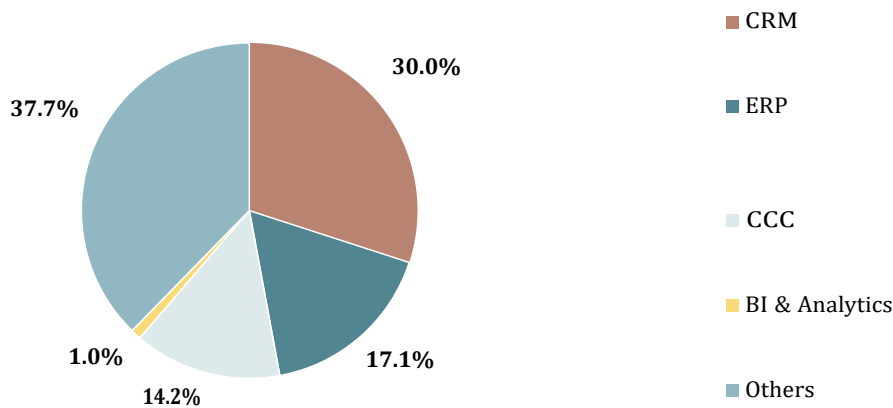
Global SaaS refers to the global SaaS players selling SaaS products in India.

ISP refers to the Indian Service Providers developing and selling SaaS products

Currently, the Indian SaaS industry consists of ~150 local players that generate an annual recurring revenue exceeding \$1 million.

### Market segmentation by Software as a Service horizontal

The following illustration demonstrates India's SaaS market segmentation by horizontal (CRM, ERP, CCC, BI & analytics and Others) on the basis of revenue (%) – Fiscal 2020



Source: Interview Conducted with Industry Experts in India Cloud Service Market, Ken Research Analysis

The following table demonstrates the cross comparison by SaaS horizontal (CRM, ERP, CCC, BI & Analytics and Others) including market size, companies

Particulars	CRM	ERP	CCC	BI & Analytics	Others
Market Size (INR Million) (Fiscal 20)	39,086	22,279	18,501	1,303	49,118
Definition	Customer Relationship Management refers to all strategies, techniques, tools, and technologies used by enterprises for developing, retaining and acquiring customers.	It is a process used by companies to manage and integrate the important parts of their businesses.	It involve managing and interacting with a multitude of content types, including documents, records, images, forms and, increasingly, digital media.	BI& analytics are data management solutions implemented in companies and enterprises to collect historical & present data, while using statistics & software to analyze raw information, and deliver insights for making better future decisions.	-

### SaaS portfolio of ESDS: SpocHub

SPOCHub is a platform to assist the organizations in their digital transformation journey by enabling them to choose the right fit products & Solution. It provides both in-house developed and third party applications, hosted on the ESDS cloud platform, to end users, over the internet, on monthly or quarterly subscription model, which allow clients to develop, run and manage applications and services. This way, Spochub enables ESDS and its software vendors to offer solutions with custom packages to enterprise customers. It is a Digital Transformation Marketplace with a Curated Catalogue of Innovative Industry-Specific solutions and is now marching towards the XaaS (Everything as a service) DX platform. SPOCHUB fills this gap across industries, empowering ISVs with great solutions to partner with ESDS and increase their market reach, backed with commitment of exuberant support from ESDS to the customers. The platform also provides different billing models for their customers, as ESDS understands that selecting the right software-pricing model is critical to scaling sales operations and growing revenue. In-house developed products and applications offered on Spochub include a comprehensive data center management and monitoring suite, vulnerability scanners (a program designed to assess computers, networks or applications for known weaknesses), web access firewalls, VPN (for secure connectivity,

communication solutions for virtual meetings), artificial intelligent/ machines learning based lung disease detection through X-Ray scan, disaster recovery monitoring solutions etc. Third party solutions that we offer on Spochub include an artificial intelligence enabled tool to diagnose lung abnormalities from X-rays, cloud ERP, analytics software, etc.

*The following table demonstrates the SaaS focus for ESDS with market size*

Industry Vertical	Industry Size	SaaS spend	SaaS as % of Software and Services
<b>BFSI</b>	USD 1.8 Tn.	USD 8 Bn.	4-5%
<b>Manufacturing (excluding Automobiles)</b>	USD 390 Bn.	USD 5 Bn.	18-20%
<b>Education</b>	USD 101.1 Bn.	USD 0.6 Bn.	6-8%
<b>Retail and Consumer Packaged Goods</b>	USD 1.1 Tn.	USD 1.6 Bn.	8-10%
<b>Healthcare</b>	USD 180 Bn.	USD 1.2 Bn.	8-10%
<b>Logistics</b>	USD 195 Bn.	USD 0.4 Bn.	4-6%
<b>Government</b>	Not Applicable	Not Applicable	11-12%

## Managed Services

Major managed services offerings in India are as follows:

### *Disaster recovery*

In the hybrid cloud framework, disaster recovery plays an important role as a service offering, allowing a cost effective and higher security as a combination of public and private cloud backup solution. Disaster recovery as a service (DRaaS) is basically replication and hosting of physical or virtual servers by a third party to provide failover in the event of a manmade or a natural catastrophe. On the private cloud side, an end user would have a local device that acts as a Network Attached Storage unit backing up data locally, while concurrently pushing data off-site to a secure, third party cloud. The DRaaS market will continue to grow post-COVID-19 as more enterprises across the globe plan to migrate its IT infrastructure to cloud, boost business continuity, and improvise IT operations. Various regions, especially in the APAC geographic zone has seen a boost in technological spending. Indian DRaaS market is fiercely competitive and fragmented. Several large and small key players are churning the competition to gain competitive edge accounting for a substantial market share, with growth drivers such as extensive cloud adoption among SMEs and investments in IT sector.

### *Managed colocation*

Managed colocation takes traditional colocation one step further by taking on the responsibility of managing a business's IT infrastructure, in addition to physically hosting it. Other managed services such as security, backup and storage can be added on as part of the managed colocation service. Managed colocation is an ideal fit for businesses that are keen to retain their own infrastructure, but with a certain level of server management expertise. The benefit for smaller businesses is that it saves on costs, both in terms of physical space and the need to hire expensive IT expertise.

### *Application management*

Application management is the lifecycle process for software applications, covering how an application operates, its maintenance, version control, and upgrades from end to end. Application management services are an enterprise-wide endeavor providing governance designed to ensure applications run at peak performance and as efficiently as possible, from the end-user experience to integration with enterprise back office functions such as database, ERP, and SaaS cloud functions such as CRM.

The application management services market in India is expected to grow at a double digit CAGR over the next five years owing to increasing need for business agility, increased need to replace the legacy applications and increasing implementation of new technologies. Based on the organization size, the SME segment dominates the application management services market and is expected to maintain its dominance over the next five years as well due to increasing adoption of the lift- and-shift migration strategy. Further based on vertical segment,

the BFSI vertical has one of the largest market share due to growing technological advancements and flexibility.

#### *Database management*

A database management system (DBMS) consists of an integrated set of computer software which facilitate the use and access to data contained in the database and to interface with different databases, even though certain limitations may exist that limit access to particular data. The DBMS is a system which facilitate the entry, storage and retrieval of large amount of data as well as the management and organization of data. DBMS are fully provider-managed public or private cloud software systems that manage data in cloud storage. The demand for DBMS is guided primarily by factors such as enhanced data sharing, data security, reduced data integration, while high hardware and software costs, high staff training costs, and technical personnel are some of the market's constraints. There are five major customer benefits driving the demand for DBMS are a shift towards cloud-native architect, need for high performance computing, flexible, scalable and distributed infrastructure, disaster recovery and enhanced security.

#### *Application support*

Application support over cloud is the day-to-day process of operating an application over the cloud, through either an automated system, or a dedicated IT team at the cloud managed service provider's end. It ensures that service level objectives are met through constant support. It also helps in finding the root cause of the issue and recommend what should be done in order to avoid the same. Application support plays a critical role in terms of client retention and involves a customer facing infrastructure. It also involves clarifying client questions, providing training on applications, improving adoption rates, monitoring systems and help out with any potential issues. Outsourcing such customer service and support functions ensures incident management involving prompt response, troubleshooting and documenting, while offering a scalable support system.

#### *Back-up services*

Cloud backup is a service in which the data and applications on a business's servers are backed up and stored on a remote server. Businesses opt to back up to the cloud to keep files and data readily available in the event of a system failure, outage or natural disaster. Cloud backup for business operates by copying and storing a server's files to a server in a different physical location. A business can back up some or all server files, depending on its preference.

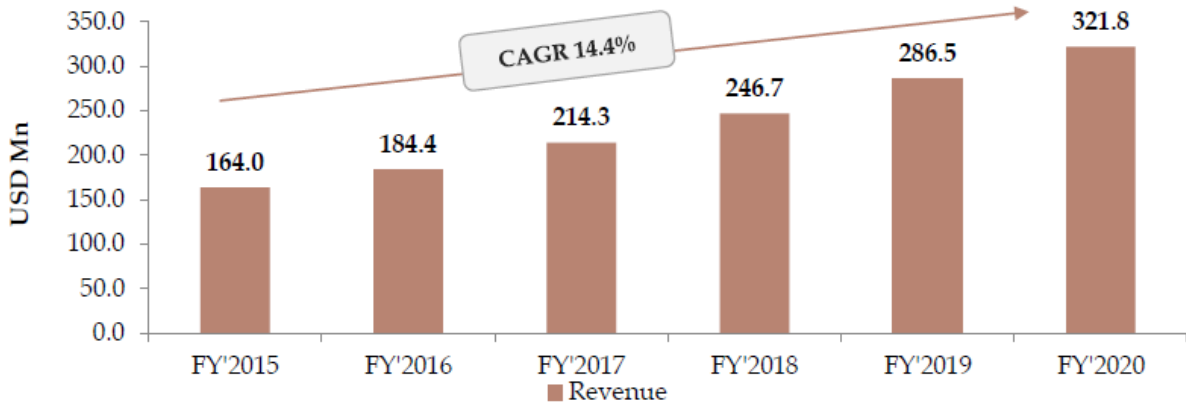
#### *Remote infrastructure management*

Remote infrastructure management refers to the process of managing the IT infrastructure of an enterprise (entirely or in parts) from a remote location. It includes management of resources like computer hardware and software, network and storage devices, IT security devices, and servers. According to IT experts, remote infrastructure services aid enterprises in significantly reducing their IT expenditures while providing flexibility in operations. The leading remote infrastructure management companies offer services like complete NOC managed services, hybrid management services (NOC + On-site), incident and problem management, OS health management, and user management services. These services help enterprises in managing their IT infrastructure with enhanced coordination and ease the tasks related to maintenance and reparability.

#### *Cross platform migration*

With constant innovations and newer players emerging in the cloud market, it is important for cloud solution providers to capture prospective customers who already have cloud infrastructure in place and are looking to change or improve their cloud footprint. This is solved using the cross platform migration services, which allows cloud solution providers to tap into a larger market of already existing cloud users and grow their customer base. In India, with the non-hyperscalers gaining larger traction, this has resulted in being an important value offering, as it allows the customers to switch to such cloud solution providers with ease.

*The following illustration demonstrates the market size of managed hosting industry basis revenue (in USD million) during Fiscal 2015-2020*



Source: Industry Articles, Interview with Industry Experts, Ken Research Analysis

### Managed security service market

Managed Security Services (MSS) market is a network security services that is outsourced to a service provider. Managed Security Service Providers (MSPs) provide human skills and technology for businesses of any size to improve their security posture and the day-to-day technology needs. The managed security service providers remotely manages the computers, servers and networks, proactive patch management, and leverage technology to help an organization reallocate resources to revenue generating activities. Managed Security Service Providers help manage threats such as exploits, ransomware and other threats by deploying a comprehensive cybersecurity strategy that emphasizes multiple layers of protection.

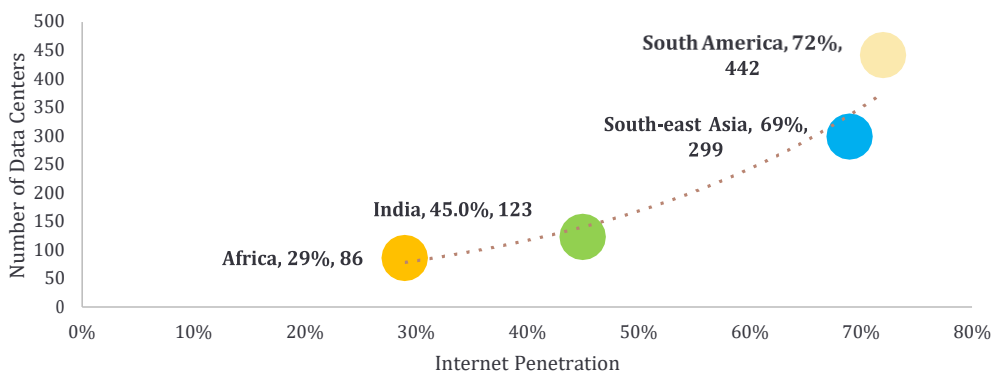
### The data centers industry

Overview of the global data center markets

The data cloud market across the globe has seen major capital influx in recent years, especially fuelled due to sudden surge on their reliance by SMEs, rapidly becoming cornerstones of the information framework.

This has also been catalyzed through major global trends, such as rising preference of firms to shift the data workflow off premises, and the influx of colocation and hybrid cloud systems which offer more flexibility in terms of IT infrastructure management. Hyperscalers such as Amazon, Microsoft and Google have been instrumental in increasing the data center sizing by tenfold.

The following illustration demonstrates the regional scenario of internet penetration vs the number of data centers across the world



Source: Cloudscene, Datareportal Global Report 2021, ITU and Ken Research Analysis

Note: Internet penetration is the ratio of number of internet users (extrapolated from data published by International Telecommunication union, Local government bodies, intelligence platforms such as Eurostat, GWI, GSMA Intelligence, APJII (Indonesia Internet Service Provider Association), CNNIC (China Internet Network Information Center), and the United



### The Indian data center and co-location industry

A data center is a dedicated physical infrastructure used to house computer systems, related storage systems and associated components. Data centers serve as the repository for IT equipment such as physical servers, storage subsystems, networking switches, routers and firewalls, as well as the cabling and physical racks used to organize and interconnect the IT equipment.

Co-location refers to the practice of renting space by companies for their servers and other computing hardware in a third-party data center facility. A co-location center typically leases its space to businesses, government institutions and agencies, large enterprise clients and other service providers. It provides facilities in the form of power circuits, raised floor space, network connectivity, internet access, cooling systems, physical security and monitoring of the critical systems.

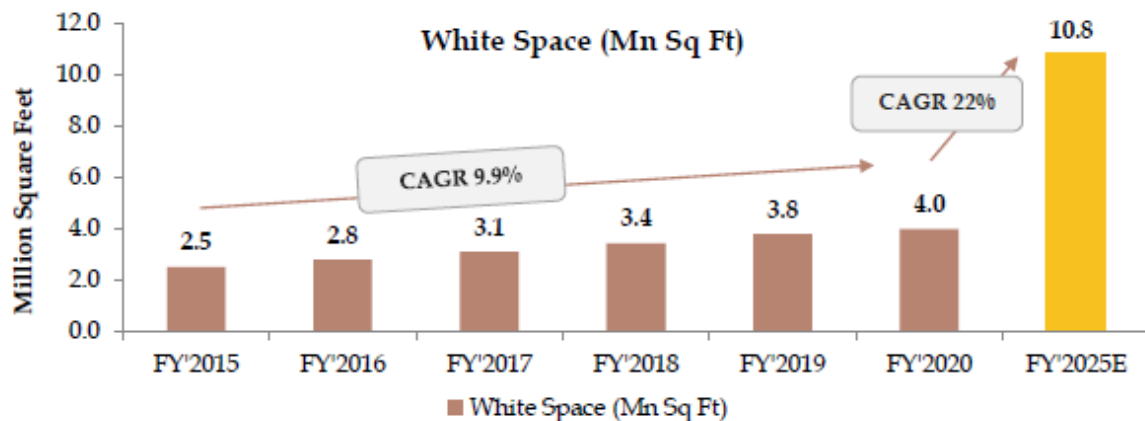
The increase in the number of smart phone users and wireless subscribers indicate the deep penetration of digital technology, enabling firms to shift from traditional offering modes to ‘digital’ means. The pandemic of COVID-19 has further propelled data consumption (12 GB per user in December 2020), with the working class adapting to a ‘Work from Home’ culture, students enrolling into online classes& tutorials and e-governance initiatives of government (e-Aadhar, digital KYC, Digi Locker, Aarogya Setu, CoWin etc.).

It is expected that data center industry would grow at a CAGR of 17.4% during Fiscal 2020 to 2025 led by increased adoption of co-location services, aiding in improvement of occupancy rates of data center facilities by Fiscal 2025.

The colocation data center industry is at a growing phase and has witnessed a growth at a CAGR of 10.4% during the period Fiscal 2015 – Fiscal 2021. The industry has gained significant traction during the Covid-19 phase due to pent-up demand from different business verticals. The past few years have witnessed emergence of several new players in India, resulting in increased supply. Several Government led initiatives such as Draft Data Center Policy 2020, Data Localization policy have accelerated the demand for data centers in India.

### The Indian data center market size, Fiscal 2015 to Fiscal 2020

The following illustration demonstrates the Indian data center market size by total white space in million square feet and growth (%), as on 31st March of the respective years (FY 25 is projected)



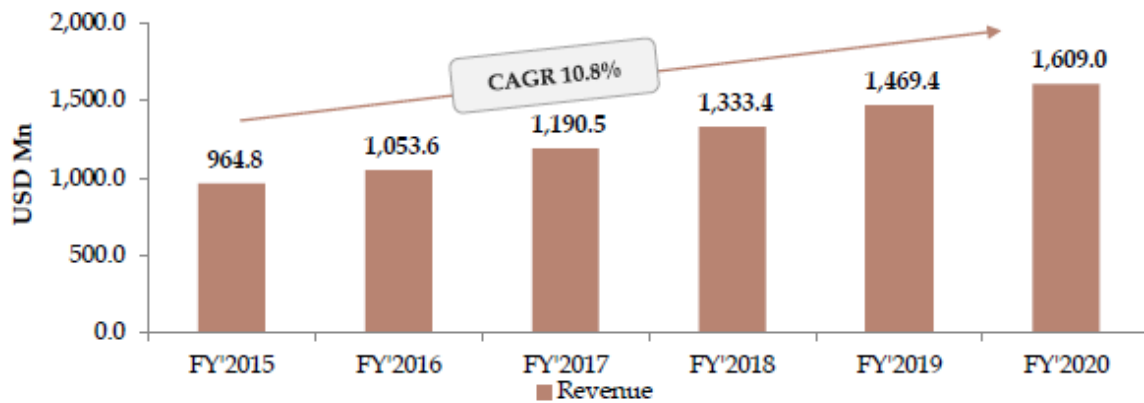
Source: Interview with Sales Manager, Marketing Manager of Bridge Data Center, NTT, NxtGen Data Center, Ken Research Analysis

The overall gross space of data centers in India grew at a CAGR of 8.78 % between Fiscal 2015 to Fiscal 2020. Data center companies are planning to expand into Tier II cities owing to lower land costs involved, thereby helping them optimize their capex.

The data center industry is currently at its growth stage in India and has witnessed a CAGR of 10.8% during Fiscal 2015 to Fiscal 2020. The data center industry has started to gain momentum with the attractive investments

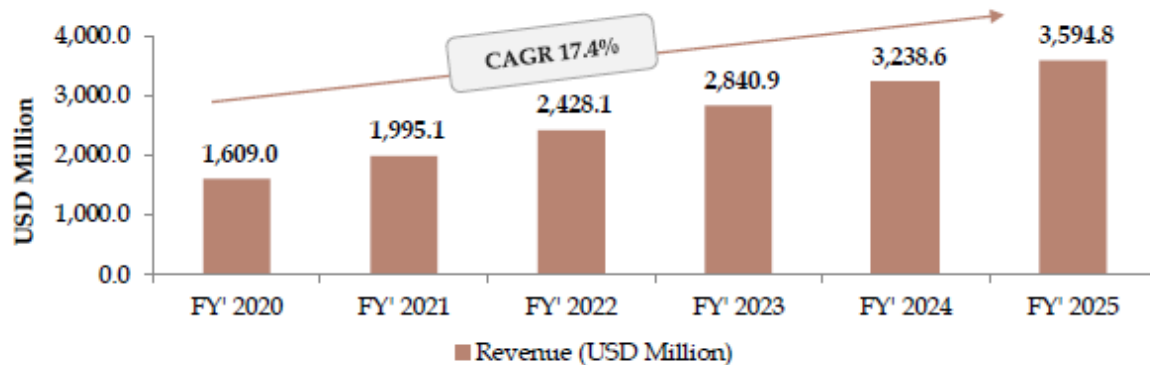
from hyperscale cloud providers such as AWS, which plans to invest USD 1.5 Billion in 2 data centers in India. The rapid movement from cloud computing to edge computing is driving the data center industry forward as well. The government’s digitization drive and emphasis on smart cities is fuelling the demand for more data centers. Further, data localization law has resulted in the higher importance for the regional data centers.

The following illustration demonstrates India’s data center market size (excluding cloud) on the basis of revenue (in USD million) and growth (%) – Fiscal 2015 – 2020



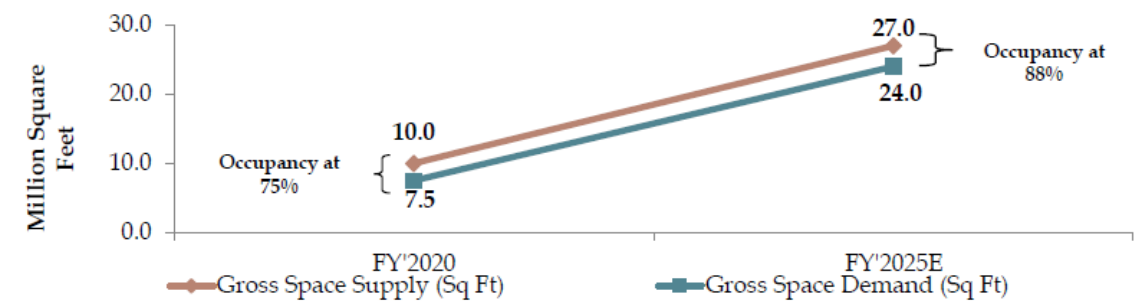
Source: Interview with Industry Experts, Ken Research Analysis

The following illustration demonstrates the data center future market size (excluding cloud) in India - on the basis of revenue (in USD million) and growth (%) - Fiscal 2020 to Fiscal 2025



Source: Interview with Industry Experts, Ken Research Analysis

The following illustration demonstrates India’s supply-demand gap of data centers on the basis of total gross space (in million square feet) as of March 31, 2020 and March 31, 2025 (estimate)



Source: Industry Articles, Interviews with Industry Experts, Ken Research Analysis

Note: P refers to projected.

Note: Overall Supply or Demand is only for Co-Location Facility and does not include any captive data centers

### Key trends impacting the data center industry

India has the world's highest data usage per smart phone at an average of 12 GB per month (as of 2020) indicating huge data consumption, which is expected to increase at a CAGR of 16% to 25GB per month by 2025. The data center boom in India will be driven by factors such as:

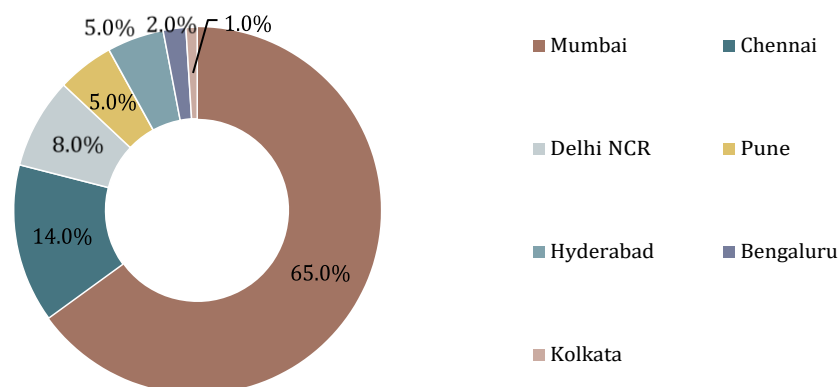
- Focus on cyber security
- Growth of content providers
- Data center outsourcing by startups
- Regulators focus on keeping data within India (data localization)
- Increase in e-commerce transactions
- Increasing cloud adoption
- Increasing investments in data center development
- Adoption of technologies such as IoT, Big Data and others
- Introduction of 5G services

### Emerging market for data centers

The focus of data centers are slowly shifting from Tier I cities to Tier II and Tier III cities owing to limited capacity, land availability and high real estate and construction cost in Tier I cities. Increasing focus on Data Recovery and Disaster Management services provided by data centers is driving the market in other cities. The high growth of OTT in rural market is also expected to increase the need for more such data centers in Tier II and Tier III cities.

### Growing preference of edge data centers

The following illustration demonstrates the details of upcoming gross space data centers by region on the basis of new additions of space (%) as on March 31, 2020 – March 31, 2025



Source: JLL, Industry Articles, Interview with Industry Experts, Ken Research Analysis

Source: Industry Articles, JLL, CBRE, Interview with Industry Experts

### Type of Business and Billing Models

## **Built-to-suit model**

Most operators, developers and data center owners prefer to adopt a scalable approach for data center design/build the construction of data center. They prefer the construction of facilities to be built in increments in proportion to end user demand. Nowadays, developers prefer to combine this along with building custom-based data centers for enterprises or companies with higher demand. The operators increasingly prefer to have built-to-suit data center facilities due to the following reasons:

- **Customization:** Off the shelf or already built data centers may not match many of the existing business needs of companies with scalable business model or expanding business solutions. Hence, built to suit facilities offer customization and build features as per the company's requirement, thereby ensuring that design quality standards are met.
- **Speed to Market:** Constructing own data centers are usually a costly and time-consuming affair. Usual construction of data centers take about 1.5 – 2 years, before operations can begin, which may be too long a timeline for a company with expanding business needs. A Built-to-suit solution delivers it in a shorter period and may or may not include the MEP infrastructure.
- **Lack of Expertise:** Designing and Building or constructing own data centers requires unique expertise, which many of the customers or clients check as a minimum benchmark. Real Estate developers, who enter the market, may not have the kind of experience required, and hence, it is easier to collaborate with a data center provider and build the facility according to one's needs.

Data Center Operators such as CtrlS, Colt DC, have preferred building their own data centers to ensure quality Hyperscale models. With the advent of cloud technologies, operators have started moving towards built-to-suit facilities to reach and cater to the market faster.

## **Subscription Model**

Subscription Model offers a flat priced offering to end-users. It is a more convenient model for end users, only when compared to Ownership of assets. However, Subscription-based services may seem initially attractive by reducing the cost of initial capital outlay, but they may cost more money over time if end user usage patterns fluctuate drastically from time to time.

## **Pay-per-use/consume Model**

Pay-per-use is a popular model, which is predominantly followed by companies when the future demand in storage is not 100% predictable. The rationale behind adoption of such a model is to minimize overbuying and over-provisioning by customers, reduce CAPEX, align costs with revenue and pay for equipment in the same way they pay for utilities, such as water and electricity. Customers also emphasise on reducing the period of time between equipment order and the date when equipment can start providing the desired services, leading to a successful Just-On-Time Management with a simple procurement approach. Overall, this payment option reduces TCO, increases RoI and aligns revenue and cost cycles.

Companies are under significant pressure to optimize costs and performance, enhance the operational expectations and maintain high level of cyber security for their business. Consequently, such businesses prefer migrating to a predictable cost model, such as ESDS's "pay-per-consume" billing model, bundled with their end-to-end managed services.

Benefits associated with the Pay-Per-Use or Pay-per-Consume Model:

- Pay-per-use model enables a Service Provider to quickly capture or increase its market share, since the customers are more willing to pay as per their demand, which often keeps fluctuating.
- The interaction between end users and the DC Service Provider is more service focused and not 'one-time purchase' driven. This gives the opportunity to the DC Service Provider to offer value added services, constant improvements and makes their overall service experience more impactful in enabling customer stickiness. Achieving Customer Loyalty is easier this way.
- Pay-per-use also provides the opportunity to easily track usage, customer preferences and develop other demand related analytics to constantly improve product offerings, in terms of personalization or general

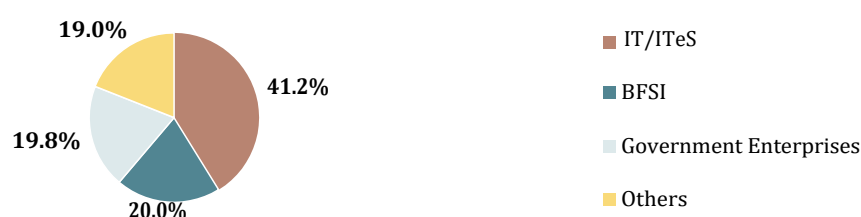
improvements.

ESDS's business model imbibes the "pay per consume" billing model and the "pay per branch" billing model (for co-operative banking customers). ESDS has been able to specifically penetrate within cooperative banks, with its unique "pay per branch" billing model, which allows a bank to pay a fixed amount per month per branch. In return, ESDS manages their core banking software hosting and other managed services, together with its BFSI technology partners.

The "pay per consume" billing model has increased ESDS's operational efficiency, allowing it to compete with competitors. The "pay per branch" billing model has assisted in customer retention, scaling of operations and cross sell and upsell of services.

#### Market segmentation by end users – Fiscal 2020

The following illustration demonstrates the data center market in India by end user segmentation on the basis of revenue (%) - Fiscal 2020



Source: Interview with Industry Experts, Ken Research Analysis

Note: Others include SME's, Retail Sector, Manufacturing Sector and Logistics Sector

#### Future supply-demand gap - pan India, Fiscal 2025

- Additional supply of approximately 6.83 million square feet of white space is expected to be added in the next 5 years, with majority of the projects estimated to be developed in Mumbai.
- The overall demand is expected to increase from 3 million square feet to 9 million square feet in the next five years, improving on the overall occupancy level (~ 83%).
- The demand is expected to increase at a robust pace predominantly due to the data localization policy, introduction of newer technologies (such as IoT, big data), advent of 5G technology, increase in young "tech- savvy" population and increase in need for data recovery services.
- The supply increases at a higher rate than demand, since construction and development of data centers is a time taking process, and it takes nearly 2 years to complete construct and operate a data center. Hence, companies and real estate developers prefer keeping the infrastructure ready in anticipation of future demand.
- The gap in the occupancy rate is expected to decrease further in the future with automation, technology and digitization creating a favorable scenario for high demand.

*Advantages offered by India for data center operators, which makes India attractive destination for global clients*

The advantages offered by India for data center operators include:

- a. Low capital costs for setting up data centers - While it takes around \$3-3.5 million to develop a Tier-3 data center, the set-up cost for a Tier-4 data center is around \$4.5-5 million. This is ~50% cheaper than major global markets such as Hong Kong, Singapore, Germany, UK and Japan. Moreover, the co-location and wholesale retail prices is also cheaper by 30-45%.
- b. Focus on Tier IV Standards (The Uptime Institute Tier Certification for data centers is the de facto gold-standard worldwide for evaluating the quality of mission critical data centers. It classifies data centers from Tier 1 to Tier-4 with the latter being more stringent).
- c. Availability of skilled work force - Western developed countries such as USA, Europe have shortage in engineering skills and this gives India an impetus to position itself as a data center hub. Further, the

comparatively lower cost of labour makes it an attractive opportunity for the global companies to invest in India.

- d. Location advantage - India has a relatively stable geography and the major cities are not highly prone to natural calamities such as earthquakes, cyclones and volcanoes. A rapidly expanding submarine cable connectivity system along with an increased shift towards cloud makes India an ideal hub for data centers

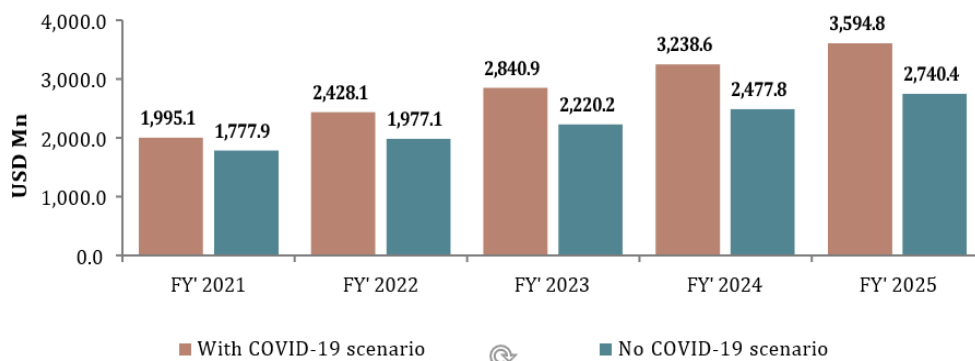
### Deployment of 5G services

Major telecom operators in India such as Bharti Airtel, Reliance Jio, Vodafone-Idea are planning to deploy 5G network by beginning of 2022. India is estimated to have ~350 million 5G connections by 2026. 5Gs’ increased bandwidth, lower latency and increased connection density compared to 4G connections will create opportunity for high performance IoT infrastructures which indirectly increases the demand for data centers. Several stakeholders have made significant progress in this regard.

### Impact of Covid-19 on India data center industry

The outbreak of Covid-19 in late 2019 and throughout 2020 resulted in loss of economic output owing to its profound impact on manufacturing, constructional, tourism, hospitality and other sectors. The nationwide lockdowns and other mobility restrictions throughout the year brought a change in working style of people. Yet, data center industry proved its resilience in the times of crisis and is now expected to grow at a faster rate compared to a ‘No Covid-19’ scenario.

The following illustration demonstrates the impact of COVID-19 on the market size of the data center industry in India basis revenue, (Fiscals 2020 – 2025)



Source: Interview with Industry Experts and Ken Research Analysis

### Impact of Covid-19

**Change in Customer behaviour:** The working culture across services firms, primarily shifted from the traditional to ‘work from home’ culture, which has led to an increased volume of data generated online.

**Firms are realizing the need for outsourced facilities:** With lockdown and other mobility restrictions, firms are considering migration of their servers to a third-party data center facility which could ensure all-time availability of its mission critical applications, at a rapid pace.

**Rising preferences for cloud services:** Moreover, firms are realizing the benefits of availing cloud services and having a robust IT infrastructure in place

**Initial delay in planned construction projects:** Once the mobility restrictions were lifted, such entities laid out massive expansion plans, considering the tremendous rise in data volumes.

**Shrinking IT budgets favour the data center industry:** Greater scrutiny over IT budgets and capex for next 5 years have promoted change in corporate preferences to usage based monthly/quarterly payment models.

### Initiatives taken by data center operators during COVID-19

Considering the increase in requirement, most data center operators witnessed higher occupancy levels for co-location model led by small-medium and SME firms. This further paved way for incumbents to announce expansions plans for opening up new facilities by 2022 - 2023. Such firms include Yotta Infrastructure, Colt, GPX, NTT Netmagic solutions etc.

An increased investment in storage capacity by cloud solution providers is also anticipated due to rise in on-demand video, gaming services and greater usage for remote collaboration tools. Similarly, investments are anticipated to rise by cloud and data center service providers on USPs, racks and rack PDUs (A rack PDU is a device that can be fitted with multiple outlets to effectively control and distribute electricity)

### **Hyperscalers vs. ESDS and other Non-Hyperscalers**

The major value drivers which allow ESDS and other non hyperscalers to retain and even improve their market share are:

- **Customizability:** A major value offering of these companies is the customizability they offer in terms of company-specific requirements, which the heavy and hard-set infrastructure of the hyperscalers may not offer.
- **Control and Autonomy:** While the cloud provider handles the infrastructure when dealing with hyperscalers, the hybrid system, which has been projected to show the most growth due to its autonomy, is generally offered by the non-hyperscalers. Also, having a combination of private and public cloud allows for a better allotment of resources to the maintenance of the infrastructure.
- **Local Knowledge and Capabilities:** The bird's eye view of a country's efforts into the digital landscape is best understood by the local companies, on which these companies capitalize, and grow. Example: ESDS providing smart city solutions and AI services

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 20 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 28, 188 and 265, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2021, 2020 and 2019 included herein is derived from the Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus, which have been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and other applicable law, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see “Restated Consolidated Financial Statements” on page 188.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “India Cloud Services and Data Centre - 2020 - 2025” published in August, 2021 (the “**Ken Research Report**”), prepared and issued by Ken Research, commissioned and paid for by our Company exclusively for the purpose of the Offer. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation– Industry and Market Data” on page 17.*

*We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.*

### Overview

We are amongst India’s leading managed cloud service and end to end multi-cloud requirements provider (Source: Ken Research Report). We have built a comprehensive cloud platform which our customers rely on, consisting of cloud infrastructure, well-architected solutions aimed at reducing cost and providing safety, flexibility, scalability and reliability to enterprises compared with the traditional on-premise IT models. As part of our portfolio, we offer:

- (a) Cloud Computing Infrastructure as a Service (IaaS) which includes our patented vertically auto scalable cloud technology platform, “eNlight Cloud”;
- (b) Software as a Service (SaaS) and Managed Services, which include, (i) SaaS which is a software distribution model wherein we host applications on cloud platforms and make them available to end users on periodic subscription model, allowing clients to develop, run and manage applications, and (ii) Managed Services, through which we offer several services enabling companies to optimise and modernise their cloud environment, secure their data and migrate their legacy data on cloud environments, and fully manage it on a day to day basis.

We believe such a diversified portfolio positions us as a “one stop shop” for our customer’s cloud adoption. We also serve our customers with differentiated billing models in India such as “pay-per-consumption”, “pay-per-branch” (for BFSI customers) and “pay-per-transaction”, which we believe helps in reducing our clients’ “Total Cost of Operation” (TCO). We operate our business on an asset light model, which comprises of ownership of computing hardware assets only, thereby allowing quicker scalability and reduced capital cost of operations. We offer our products across diversified industries that include government ministries & companies and corporate entities across sectors such as BFSI, manufacturing, IT and ITES, telecom, real estate, pharmaceuticals, retail and education and in several countries across the APAC region, Europe, Middle East, the Americas and Africa.



Our comprehensive IaaS cloud computing services portfolio includes public cloud, private cloud, virtual private cloud, hybrid cloud and various community cloud offerings. Our indigenously developed vertical autoscaling technology, which powers our IaaS “eNlight Cloud”, is patented in the United Kingdom and the United States of America. The eNlight Cloud adheres to international security standards and follows the concept of layered security to provide high level of data protection over hypervisor platforms (Source: Ken Research Report). A hypervisor is a kind of emulator - a software, hardware or firmware that creates and runs virtual machines and allows one host computer to support multiple guest virtual machines by virtually sharing its resources, such as memory and processing (Source: Ken Research Report). Our cloud customers are supported by our round the clock services team. For details of total addressable market, please see “*Industry Overview*” on page 103.

As part of our SaaS offerings, we provide software products and applications, hosted on our cloud platform, on annual, semi-annual, monthly or quarterly subscription model, which allow our clients to develop, run and manage applications and services. Further, we provide both in house and third party developed applications on a digital marketplace developed by us, namely “Spochub”. Spochub enables us and our software vendors to offer their solutions with custom packages to enterprise customers. For details of total addressable market, please see “*Industry Overview*” on page 103.

Our SaaS offerings include, among others, a comprehensive data center management and monitoring suite, vulnerability scanners, which are programs designed to assess computers, networks or applications for known weaknesses, web access firewalls, virtual private network (VPN) – for secure connectivity. For further details, see “ – *SaaS Portfolio and Managed Services*” on page 142.

We collaborate with Governmental and public sector organisations to offer SaaS offerings and data center solutions, which we term as “G-SaaS”. As part of G-SaaS, we provide services that include document and data migration to cloud, software offerings on Spochub, data center management and back-up servers for disaster management. Smart city applications are software applications that help the Government to optimize their expenses, provide deployment of software services and ensure data confidentiality. Our G-SaaS collaborations include (a) partnering with a Government energy service company (ESCO) for implementing a smart metering project around various states in India, (b) collaborating on e-governance projects of certain ministries of the Government, (c) collaboration with several smart cities in India, to who we provide smart city solutions by hosting their data on our cloud platform.

Our Managed Services portfolio includes a diverse range of services to our customers, to complement day to day data management of IT services and cloud migration. As part of our managed services, we offer 24x7 IT support, data back-up and recovery, migration services database administration services, SAP Basis, SAP HANA administration, security operations center (SOC) services, and disaster recovery services. For further details on managed services see “- *SaaS Portfolio and Managed Services*” on page 142. For details of total addressable market, please see “*Industry Overview*” on page 103.

We operate our business through three data centers in India, one each in Navi Mumbai, Nashik and Bengaluru. Our data centers cover, in aggregate over, 50,000 sq. feet across the three locations in India. Our data centers are connected on a 10 Gbps backbone network (backbone network is a part of a computer network which interconnects data center locations), providing a secure path for the exchange of information between different local area networks (LANs) or subnetworks) and is backed up with state-of-the-art disaster recovery services (Source: Ken Research Report). During the last three fiscal years, all our data centers, during their period of operation, have maintained an uptime of at least 99.995%. Our data centers have been granted “Tier III” status by QSA International Limited and have received Green IT Infrastructure Award at the Maharashtra IT Awards, 2010 held by the Department of Industries, Government of Maharashtra. For further details of our data centers, see “ – *Data Centers*” on page 145.

We offer our products across industries and a diversified customer base, which include clients from BFSI, healthcare, education, energy and utilities, real estate, IT and ITES, agriculture, manufacturing, entertainment and media and government departments. We believe our diversified customer base allows us to insulate ourselves from sector fluctuations and industry concentration risks. We believe we have been able to specifically service co-operative banks, with our unique “pay-per-branch” billing model, which allows a bank to pay a fixed amount per month per branch and we manage their core banking software hosting and other managed services, together with our BFSI technology partners.

As part of our business, we also adopt a “go-to-market” strategy, by collaborating with other companies to deliver customers with bundled solutions. Our partners include Tech Mahindra Limited, Infracore Technologies Limited, NTT Data Business Solutions Private Limited and Larsen & Toubro Limited. Such collaboration allows us to benefit from our partners’ goodwill, have access to their technologies, collaborate on innovation and scale our offerings. We have collaborated with such partners on smart city projects, offer core banking solutions, host SAP HANA on our cloud, Government digitization initiatives and other cloud based services.

We attribute our growth to the strength and experience of our senior management team. Piyush Prakashchandra Somani, who is our Managing Director and Chairman, has over 16 years of experience in the information technology sector. He has been instrumental in expanding the operations of our Company in several international markets. Our Chief Growth Officer, Rajeev Papneja, has experience in the field of technology and has been recognised as one of the “Eminent 100 CIO’s of India” award at the 18th Infotech Forum 2020. We were ranked 28<sup>th</sup> amongst India’s Best Companies to Work for in 2020, by Great Place to Work® Institute India and the Economic Times and have consistently been ranked amongst the best places to work by Great Place to Work® Institute India during the last six years across various categories.

The following table sets forth certain key financial and operational metrics for our Company as at/for the periods indicated:

Metrics	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total Income (in ₹ million)	1,741.01	1,605.34	1,375.41
EBITDA	638.05	517.23	471.46
EBITDA Margin (%)	36.65	32.22	34.28
Revenue from long term contracts <sup>(1)</sup> (as a % of the total revenue for that respective year)	92.88	84.38	88.53
Revenue from existing customers (as a % of the total revenue for that respective year)	88.53	74.53	69.22
New customers added during the period (nos.)	406	318	297
Revenue from top 20 customers (as a % of the total revenue for that respective year)	50.90	53.63	59.87
Average revenue per customer (in ₹ million) <sup>(2)</sup>	24.39	23.40	20.96
Revenue from IaaS (as a % of the total revenue for that respective year)	51.15	52.99	54.90
Revenue from SaaS & Managed Services (as a % of the total revenue for that respective year)	48.85	47.01	45.10

(1) Long term contracts refer to contracts of more than 12 months duration (including business from customers continuing for more than 12 months after contract renewals)

(2) Calculated for the top 50 customers

## Competitive strengths

We believe that our competitive strengths include:

***Comprehensive and integrated range of offerings that provide a “one stop shop” for managed cloud solutions to a diversified and marquee clientele.***

Our business offerings provide a comprehensive range of solutions, which we believe provide a “one stop shop” for our customer’s cloud adoption, and is an important factor in customer acquisition, retention and sets us apart from our competitors. Our wide range of products include IaaS, SaaS and managed services. For details see “ - Overview” and “- Products and Services” on pages 134 and 140 respectively.

Due to our comprehensive and integrated product range, we are able to provide services to our customers across initiation, implementation and post-delivery stages. At the initiation stage, we design tailored solutions based on our customer business needs and requirements. During the implementation process, we offer customers seamless cloud migration services. After delivery, we have regular client reviews to constantly improve our services. We also have a 24x7 technical support team who can respond to customer inquiries. Our service model allows us to service our customers on a continuous basis by providing support for their entire cloud-adoption and migration life-cycle. Our regular engagement also allows us to market and cross-sell our SaaS products and managed

services to our customers. Such service model enables us to understand our customers’ needs in a timely manner and identify new business opportunities.

Our customers include Larsen & Toubro Limited, Tech Mahindra Limited, EDF India Private Limited, Software Technology Parks of India, EPL Limited, Symphony Limited, US Technology International Private Limited with many of whom we have been able to establish long term relationships. Our revenue from long term contracts with customers in Fiscals 2021, 2020 and 2019 constituted 92.88%, 84.38% and 88.53% of our revenue from operations during such period respectively. As a result of our diversified product offering and clientele, we are able to cater to a wide range of industries, which include BFSI, healthcare, education, energy and utilities, agriculture, manufacturing, entertainment & media, IT and ITES and government departments, allowing us access to a broad revenue pool and which we believe insulates our business against sector fluctuations and industry concentration risks. Further, we have been able to consistently increase our customer base. As at March 31, 2021, 2020 and 2019, we had 1,388, 1,317 and 1,162 customers respectively.

The following table demonstrates the percentage of revenue from customers from the industries mentioned, during Fiscals 2021, 2020 and 2019:

Industry*	Fiscal 2021	Fiscal 2020	Fiscal 2019
BFSI	10.93%	8.73%	16.18%
Enterprise	67.38%	75.77%	72.98%
Government	21.69%	15.50%	10.84%

\* Classified basis customer category of our Company

### ***Robust and scalable business model with multiple levers of growth***

The cloud industry as well as our Company is characterised by multiple levers of growth. Such growth levers include:

- a) General growth of the industry - The Indian cloud market is expected to grow at a CAGR of ~31% during Fiscals 2020 to 2025 primarily driven by government support, positive investment climate, growing interest among the digital enterprise, rising internet penetration and other factors (Source: Ken Research Report). Further, the data center industry is anticipated to grow with a CAGR of 17.4% during Fiscals 2020 to 2025 led by increased adoption of co-location services, aiding in improvement of occupancy rates of data center facilities by Fiscal 2025 (Source: Ken Research Report). Further, the Government of India is embracing cloud computing technology for expanding its e-governance initiatives throughout the country. The Ministry of Communications and IT is planning to adopt cloud computing and has plans to create IT enabled services, applications and policies towards achieving full benefits in different government initiatives (Source: Ken Research Report). For further details, see “*Industry Overview*” on page 103.
- b) Government initiatives for promoting cloud services – The Government has initiated several projects in order to promote cloud services, in sectors such as healthcare, education, labour and employment, commerce etc., which will result in the growth of managed cyber security market (Source: Ken Research Report). For further details, see “*Industry Overview - Government initiatives for promoting cloud services*” on page 109.
- c) Technology and other partnership – We have tied up with multiple Governmental and public sector organisations including Software Technology Parks of India (STPI), smart city and metering projects, for continued cloud migration and digitisation solutions.

We believe that we are well positioned to leverage on such opportunities due to our robust and scalable business model, which comprises of:

- a) patented vertical auto scalable cloud technology, which plays an important role in achieving optimal capacity utilisation thereby allowing us to service larger load demands. Cloud computing capacity can either be increased through “horizontal scaling” or “vertical scaling”. Horizontal scaling refers to provisioning additional servers to meet customer needs, while vertical scaling is a more efficient system, in which more

power and memory is added to the same virtual machine, thereby increasing the resource capacity of the virtual machine and in effect, the machine optimization (Source: Ken Research Report). Vertical auto scaling technology is a key differentiator of our business. This patented technology is technically and commercially beneficial while operating a large volume of virtual machines in a cloud environment and has high optimisation effect from capacity utilisation.

- b) Further, we operate our business on an asset light model, which comprises of ownership of computing hardware assets only, which, together with our vertical auto scaling technology, we believe, allows us to quickly scale by allowing (i) efficient handling of unexpected loads, (ii) scaling up of RAM, CPU, bandwidth, etc. (iii) effective use of virtualization technology, (iv) quick and easy way to scale resources and (v) maximum uptime and performance with auto-scalability.

***Innovative billing solutions that derive value to customers.***

As part of our business model, we have introduced several billing solutions which we believe derive significant value to our customers. Such billing solutions include:

- a) The “pay-per-consumption” billing model. Due to our patented vertically autoscaling technology, we are able to scale the resources of our virtual machines automatically, based on the load demand, and invoice our customers specifically for such consumed resources. This billing model is in contrast to the “pay-per-use” billing model adopted by major competitors, pursuant to which the customer is charged for the virtual machines allocated to them by the cloud provider (Source: Ken Research Report). Our “pay-per-consumption” billing model is aimed at increasing our operational efficiency and allowing us to compete with competitors.
- b) The “pay-per-branch” billing model. – This billing model is used specifically by our co-operative banking customers. Under the “pay-per-branch” billing model, a bank pays a fixed amount per month per branch and we provide core banking on SaaS model to these banks bundled with the required managed services, in collaboration with our technology partners.
- c) The “pay-per-transaction” billing model – This billing seeks to bill customers per successful transaction.

Companies are under significant pressure to optimize the cost and performance, enhance the operational expectations and maintain high level of cyber security for their business (Source: Ken Research Report). Consequently, we have observed that such businesses prefer migrating to a predictable cost model, such as our “pay-per-consumption” billing model, bundled with our end-to-end managed services. We believe that such innovative billing models have assisted in customer retention, scaling of operations and cross sell and upsell of services.

***Leadership position in the industry with a proven track record***

We are amongst India’s leading managed cloud service and end to end multi-cloud requirements provider (Source: Ken Research Report). We have the largest number of banking customers in India (Source: Ken Research Report) which include more than 400 co-operative banks, district co-operative central banks and small banks. We are a market leader in hosting in Government cloud applications. We have the largest number of customers running SAP ERP system and SAP HANA systems (Source: Ken Research Report).

We believe that we were able to achieve such leadership position through our patented technology, diversity of product offerings, Government empanelment and most importantly, a proven track record of executed contracts. We were the first company in India to introduce cloud computing, through the introduction of our in-house developed eNlight Cloud (Source: Ken Research Report). We were one of the first companies in India to provide the vertical scaling facility to our customers (Source: Ken Research Report). We have executed contracts such as BFSI community cloud contracts, smart city and metering contracts, and contracts with other public sector organisations. Further, we believe that our leadership position and such proved track record has allowed us to increase our customer base consistently over the years. As part of G-SaaS, we have also partnered with a Government ESCO for implementing a smart metering project around various states in India and worked on e-governance projects of certain ministries of the Government. In Fiscal 2021, 2020 and 2019 we serviced 1,388, 1,317 and 1,162 clients across all our product and service offerings.

As digital expansion continues to increase, with more companies becoming technology dependent, demand for data storage facilities is anticipated to increase (Source: Ken Research Report). As a result, we are well poised to offer operators and enterprises future scalable potential of large capacities.

### ***Strength and experience of our senior management team***

We attribute our growth to the strength and experience of our senior management team. Piyush Prakashchandra Somani, who is our Managing Director and Chairman, has over 16 years of experience in the information technology sector. He holds a bachelor's degree in engineering (electronics) from the University of Pune. He has been instrumental in our growth and in expanding the operations of our Company in several international markets. Our Chief Growth Officer, Rajeev Papneja, has experience in the field of technology and was previously associated with Pfizer Inc. Rajeev Papneja holds a doctorate in business administration from Frederick Taylor International University and has been awarded the "GEM of India", "Bharat Gaurav Award" and the prestigious "Bharat Ratna Dr. A.P.J Abdul Kalam Excellence Award" and was recognised as one of the "Eminent 100 CIO's of India" at the 18<sup>th</sup> Infotech Forum 2020. We have significantly benefitted from the vision, technical acumen and leadership of Piyush Prakashchandra Somani and Rajeev Papneja.

Members of our senior management team also boast significant experience and we believe will be instrumental in our growth, such as (a) Sandeepkumar Mehta, our Chief Financial Officer, who has experience of more than two decades in the field of finance, with past associations including Reliance Communications Limited and Sterlite Power Transmission Limited, (b) Darryl Cox, our CEO-International Markets (Dubai location), who has experience in the field of strategic alliance, who was previously associated with Infor Dubai; (c) Kishore Shah, our Head – Spochub, who has over 8 years of experience in the field of human resources and (d) Sameer Redij, our Chief Revenue Officer who has over 9 years of experience, with past associations including CtrlS Datacenters Private Limited, Gartner India Research & Advisory Services Private Limited, and IBM India Private Limited.

For further details of our senior management, see "*Our Management*" on page 164.

### **Strategies**

The key elements of our business strategy are as follows:

#### ***Capitalise on the rising adoption of cloud in India and across international markets.***

We intend to capitalise on the growth of the cloud market and demand for data centers in India as well as in the international markets. The demand for cloud services and data center increases with the rising amount of data generated by the customers of business. The Indian cloud service market is anticipated to grow at a CAGR of ~31% during Fiscals 2020 to 2025, primarily driven by Government support, positive investment climate, growing interest among the digital enterprise, rising internet penetration and other factors. Globally, the value of the SaaS market was estimated to be approximately USD 100 billion in 2020, and is expected to grow to USD 400 billion by 2025 while the data center industry is anticipated to grow with a CAGR of 17.4% during Fiscals 2020 to 2025 led by increased adoption of co-location services, aiding in improvement of occupancy rates of data center facilities by Fiscal 2025. (Source: Ken Research Report).

Further, cloud industry in India is witnessing a surge in adoption by various industry verticals such as government sector, manufacturing industry, IT industry and others. The Government of India is embracing cloud computing technology for expanding its e-governance initiatives throughout the country. With increasing number of IT companies and internet service providers (ISPs) in India, cloud IaaS model is helping SMEs to have access to latest infrastructure thus reducing their in-house infrastructure costs (Source: Ken Research Report). Also see "*Industry Overview - Factors Driving Growth*" on page 106.

We intend to capitalise on such growth projections and opportunities by scaling our operations and by increasing our focus on (a) mid-market enterprise customers by offering integrated cloud solutions, (b) hybrid cloud business models, (c) scale across international markets, which have technology adoption trends similar to India, and (d) introduce new as well as enhance existing SaaS solutions for accelerated digital transformation of customers' businesses. Further, we believe that due to value drivers such as customizability, control and autonomy and inter-operability, we would be able to retain and improve our market share while competing with hyperscalers. Consequently, in order to capitalise on such opportunities, we are exploring setting up new data

centers in India, in locations which may include Mohali and Navi Mumbai. For further details see “*Objects of the Offer*” on page 87.

#### ***Enhance collaboration with our partner ecosystem.***

As part of our business strategy, we collaborate with third parties to deliver bundled solutions. Such collaboration is aimed to offer our products and services to a wider spectrum of clients, undertake a “go – to – market strategy” and to benefit from the technological knowhow of third-party partners. Such partnerships include:

- (a) Collaboration with business collaboration partners and independent software vendors pursuant to which such partners offer core banking software, while we assist in hosting the core banking software on our community cloud.;
- (b) Collaboration with Software Technology Parks of India (STPI), Bengaluru – We have partnered with STPI to provide digital services, SaaS services and digital platforms to Government entities on a subscription-based payment model. The services are offered through our data center in Bengaluru, which has been jointly developed with STPI.
- (c) Collaboration for the smart metering project and other smart city projects with our technology and business collaboration partners.
- (d) We collaborated with various companies to host SAP on our eNlight cloud. Such companies offer implementation and functional aspect of such hosting and we provided the infrastructure on our SAP HANA community cloud along with managed services.
- (e) Collaboration with Tech Mahindra Limited for cloud solutions to a smart city project.
- (f) Collaborations / relationships with multinational technology companies such as Dell International Services India Private Limited.

For details of such collaborations, please see “- *Technology and Business Collaboration Partners*” on page 144.

Going forward, we propose to increase such technical collaboration with third parties, including collaborations that allow us to offer complete digital transformation solution to customers. Additionally, we aim to enhance our ecosystem by expanding our strategic alliances with companies with expertise in robotic process automation, business intelligence, artificial intelligence, machine learning and internet of things.

#### ***Provide a comprehensive suite of offerings on our SaaS digital marketplace “Spochub”.***

Globally, the industry size of the SaaS market was estimated to be approximately USD 100 billion in 2020, growing at a CAGR of 19.2% during 2017-2020. The increase was led by increased awareness of SaaS technologies in key regions of Americas and Asia Pacific. The global SaaS market is expected to continue to grow multi-fold over the next few years, owing to increased awareness among enterprises for its usage, advancement in technologies and corresponding introduction of new products and offering (vertically and horizontally), supply side enablers providing consumption based models etc. In India, there are approximately 7,000 to 8,000 SaaS companies, which operate in multiple verticals and target multiple end user segments. Therefore, this make a sound supply side infrastructure, which could be used for targeting 60.3 million MSMEs in India, currently expecting the transformation to digitally led processes. Further, such broad infrastructure also allows India to export its SaaS offerings to peer countries globally (Source: Ken Research Report).

In order to capitalise on such demand, we developed and introduced Spochub, which is a digital marketplace. Through Spochub, we offer the following services – (a) offer software developed by third party vendors, (b) sell our in-house developed SaaS and (c) provide “manpower as a service”, on the basis of which we connect two organisations, one which requires personnel with technical knowledge and experience and the other which provides such personnel for specific tasks. We believe that the development of the marketplace is not only expected to create value for the new users but also provide SaaS developers opportunity to broaden product outreach. We intend to continue to grow Spochub’s reach by introducing new SaaS products on the platform, both in-house developed products as well as third party products.

#### **Products and services**

“*What is a cloud?*”

Cloud computing is the on-demand availability of computer system resources, especially data storage (cloud storage) and computing power, without direct active management by the user. Cloud computing is used to describe data centers that are available to users over the internet. The technology used in cloud computing is the virtualization software, which separates physical computing device into one or more "virtual" devices, each of which can be used and managed to perform computing tasks. Virtualization provides the agility required to speed up IT operations and reduces cost by increasing infrastructure utilization (Source: Ken Research Report).

## **IaaS Portfolio**

The IaaS model specializes in delivering cloud computing infrastructure as an on demand service. IaaS are self-service models for accessing, monitoring and controlling remote datacenter infrastructures like storage, networking, networking services etc. The role of an IaaS service provider is to provide the basic infrastructure necessary for hosting cloud applications. A subscriber has control over the processing, storage and platform related choices. IaaS solutions are highly flexible, scalable and is accessible by multiple users (Source: Ken Research Report).

### *Public cloud*

Public cloud is a public, hyperscale, multi-tenant platform where computing services can be reserved or rented on demand. These resources are available over the internet and allow customers to provision and scale services instantly without the time and cost associated with purchasing dedicated infrastructure. Applications, storage and other resources are shared by multiple customers (Source: Ken Research Report). Our public cloud “eNlight” is based on a technology that we developed inhouse and is patented in the UK and the United States of America. eNlight offers a cloud computing environment that allows vertical autoscaling and bills customers through the “pay-per-consumption” billing model. eNlight is built on multiple layers of security and is therefore able to deliver enterprise-grade security (Source: Ken Research Report). Through a web-based control panel, customers using our public cloud manage and monitor their cloud infrastructure.

### *Private cloud*

A private cloud is cloud infrastructure operated solely for a single organization and operates on a dedicated infrastructure. We offer private cloud services to customers who propose to migrate their business and corporate data on a secure, customizable and flexible cloud platform, without capital investment required for maintaining a “on premise” cloud environment. Our private cloud platform allows organizations to have full control of their cloud environment, located in a data center which has been granted TIA-942-B Tier 3 compliance status by QSA International Limited. Built on the eNlight cloud platform, we believe that our private cloud is able to offer solutions for any type of workload, with high levels of security and privacy. Our private cloud is aimed at organizations that require a dedicated IT environment with round the clock technical support, which is offered by our managed services team.

### *Virtual private cloud*

A virtual public cloud functions like a private cloud that run on public or shared infrastructure. The virtual private cloud isolates one user’s resources from another’s using an individualized, private IP subnet or a virtual local area network (Source: Ken Research Report). Our virtual private cloud is a secure, isolated cloud, derived from a public cloud system, providing higher levels of data security and granular control in the hands of our customers. Our virtual private cloud customers have full control over their cloud environment, without going out of our secure internal network, through a layer of virtual network isolation. A feature of our virtual private cloud is “Cloud Burst”, which allows enterprises to deal with peaks in IT demands. Our virtual private cloud is supported by round the clock technical support. Our virtual private cloud is geared towards offering cost benefits to customers, as it is part of a public cloud and therefore seeks to capture the economies of scale.

### *Hybrid cloud*

A hybrid cloud model includes a combination of private and public cloud offerings. It is a composition of a public cloud and a private environment, such as a private cloud or on-premises resources, that remain distinct entities but are bound together, offering the benefits of multiple deployment models (Source: Ken Research Report). The ESDS eNlight hybrid cloud is a combination of our public cloud and private cloud offering. We believe it provides an intelligently scalable and secure platform by prioritizing workloads between public and

private cloud platforms. Like our virtual private cloud, our eNlight hybrid cloud also includes “Cloud Burst”, a feature which permits applications to migrate on our public cloud, when necessary, thereby avoiding interruptions. Applications hosted on a private cloud can “burst” into our public cloud during such peaks, thereby avoiding interruptions. Our hybrid cloud is also supported by round the clock technical support.

### *Community cloud*

A community cloud is a virtual infrastructure which is shared between several organizations from a specific community with common concerns (security, compliance, jurisdiction, etc.). We were the first cloud service provider in India to offer community cloud services, provided on multi-tenant model to a group of organizations that have similar business model and requirements, such as data privacy, security, compliances and regulatory considerations (Source: Ken Research Report). We offer community clouds for the Government, banking & financial services, SAP/ HANA, smart cities and enterprises.

- a. Government community cloud – Government institutions in India are increasingly migrating their workloads on cloud as their existing legacy systems are not scalable and secure (Source: Ken Research Report). Recognizing such challenges, we built a cloud platform that is used by over 200 Government institutions in India. This platform is empanelled with the MEITY and audited by the STQC.
- b. BFSI community cloud – Our BFSI community cloud is a customizable platform, which supports core banking solutions, hosted banking solutions, security services and emerging technologies. As of June 30, 2021, the cloud is used by more than 400 banks and financial institutions across India. The cloud is vertically auto scalable and is managed by round the clock technical support.
- c. SAP HANA community cloud - SAP HANA (high-performance analytic appliance) is an in-memory database, developed by SAP SE, whose primary function is to store and retrieve data as requested by the applications. SAP Basis administrators are responsible for ensuring continuous communication between systems, scheduling, upgrading and installing system upgrades, backups, etc. (Source: Ken Research Report). We have developed a community cloud that offers SAP HANA systems on cloud. Our cloud is certified by SAP SE in SAP HANA operations and cloud and infrastructure operations. As of June 30, 2021, we offer our SAP HANA cloud services to over 150 organisations across multiple industries.

### **SaaS Portfolio and Managed Services**

Our SaaS portfolio includes both in-house and third party developed applications, which are hosted on our cloud platform and our digital marketplace Spochub.

In-house developed SaaS include:

- (a) “eMagic” – a comprehensive data center management and monitoring suite,
- (b) “VTMscan” –a vulnerability scanner, which is a computer program designed to assess computers, networks or applications for known weaknesses,
- (c) “eNlight WAF” – a web access firewall,
- (d) Web VPN – for secure connectivity,
- (e) “eCOS” – for object storage,
- (f) “eNlight IoT” – an indigenously developed IoT platform,
- (g) “eNlight Meet” – a communications solution for virtual meetings,
- (h) “eNlight SIEM” – for incident and event management,
- (i) “AA+” – an artificial intelligent/ machine learning based lung disease detection through X-Ray scan.
- (j) “eNlight DRM” – a disaster recovery monitoring solution
- (k) “eNlight360” –a hybrid cloud orchestration solution
- (l) IPAS ERP developed for governance and planning of budgets for a state.

Our SaaS offerings also include (a) cyber attacks prevention and detection software (b) loan origination platforms, that provide comprehensive customer information analysis to reduce credit and operational risks for loans, tracking of loans, disbursement, recovery and documentation. (c) end to end healthcare management systems, (d) agricultural technology ecosystems, through which farmers are connected to stakeholders, (e)



mobile enabled end-to-end education management system, and (f) digitization and archival of documents software.

### *G-SaaS*

Across the world, government departments have initiated automation of business and IT processes through Government SaaS or PaaS initiatives, aimed at digitalization of services. Such digitization initiatives have been accentuated by the COVID-19 pandemic, increase in the use of mobile phones, rapid increase in subscription based cloud services, increase in use of biometric authentication, regulatory enforcement of individual privacy, etc. Government institutions are increasingly also migrating their workloads on cloud because their existing legacy systems are not scalable and secure (Source: Ken Research Report). This platform is empanelled with the MEITY and audited by the STQC.

We are authorised to offer our products and services on the GEM portal of the Government of India. Such authorisation is a pre-condition, subject to certain exceptions, for a cloud computing and data center management company to offer their products and services to the Government. As part of our offerings to such Governmental agencies, we provide (a) data center and disaster recovery services, (b) software services, and (c) Spochub.

As part of our G-SaaS offering, we provide our smart city cloud, located across our data centers, which allows smart cities to process citizen data for enhanced decision making. We have collaborated with various system integrators to provide solutions and technologies in smart cities for implementing various smart city solutions. Through our GEM portal of the Government of India, we are authorized to serve the Indian Government with our cloud services.

As part of our smart city engagements, we have collaborated with a smart city in Maharashtra and its municipal corporation, in order to migrate the on-premise application on cloud services. We also extend support to the municipal corporation for several civic applications, in collaboration with system integrators. The smart city project is hosting over 40 heterogeneous IT applications on our cloud technology, which include payment of taxes online, obtaining NOCs and participating in online tenders, etc. As part of G-SaaS, we have also partnered with a Government ESCO for implementing a smart metering project around various states in India and worked on E-governance projects by certain ministries of the Government.

As part of our managed services, we offer:

- (a) 24x7 IT Support – our network of IT support staff is available round the clock for IT support related to infrastructure, applications, databases, networking and security.
- (b) Availability of technical staff and IT infrastructure – we offer the services of technical staff to customers, as well as built-in failover mechanisms to keep solutions operational, in the event of a system failure or disaster.
- (c) Data back-up and recovery – we provide various types of managed backup and recovery services including high performance backup, portable backups, multi-point replications of data, file system level backups, disk based for long term archival, object storage, and other related services.
- (d) Migration services – we offer services to migrate an organization’s data and business on cloud as well as cross platform services, which reduces business costs related to maintaining on-premise servers. A cross-platform or multiplatform software is a type of application, program or software that works on various operating systems or devices.
- (e) Database administration services – which include multiple database requirements such as database integration, maintenance, monitoring, optimization, upgrade and performance tuning.
- (f) SAP Basis, SAP HANA administration - We offer SAP Basis support for maintenance and lifecycle administration of SAP infrastructure. Our SAP Basis support team focuses on implementation, maintenance, monitoring and upgradation of SAP systems. We also provide support for solution management and disaster recovery setups for SAP HANA and non-HANA landscapes.
- (g) SOC services – A security operations center or “SOC” is responsible for detecting, preventing, investigating, and responding to cyber threats. Our SOC service includes (i) providing our customers with a Tier III cloud infrastructure, (ii) “Eagle Eye Services”, which is a subscription-based cyber security monitoring service, (iii) VPN solutions for remote access of data, (iv) securing of digital identity of businesses with enhanced web security.

(h) Disaster recovery service – we collaborate with our customers to strategize disaster recovery plans, analyse risks, business impact, and ensure bespoke system recovery. We assume responsibility for implementing the disaster recovery plan in the event of a crisis.

### Technology and Business Collaboration Partners

We adopt a “go-to-market” strategy, by collaborating with third party IT companies to deliver customers with bundled solutions. Such collaboration is aimed for both parties to maximize their technologies, align synergies, reduce the time-to-market and be more competitive in terms of pricing as well as innovation. Some of our significant partners include:

STPI – We have partnered with STPI, an autonomous society under the Ministry of Electronics and Information Technology, Government of India to provide digital services, SaaS services and digital platforms to Government entities on a subscription-based payment model. The services are offered through our data center in Bengaluru, which has been jointly developed with STPI on a public-private partnership basis with revenue sharing pursuant to a master services agreement entered into with STPI. The facility provides server co-location, cloud services and managed IT services to various sectors.

Infrasoft Technologies Limited (Infrasoft) - In 2015, RBI mandated all co-operative banks and district co-operative central banks to migrate to core banking. In order to assist banks, we partnered with Infrasoft to provide the core banking platform solution. We offered the end-to-end managed solution that included core banking software on the SaaS model and disaster recovery services. The service was offered on our “pay-per-branch” subscription model.

Tech Mahindra Limited –We have collaborated with Tech Mahindra Limited on a smart city project.

NTT Data Business Solutions Private Limited (NTT) - We have provided our eNlight SAP HANA community cloud hosting services to them.

We also collaborate extensively with multiple technology and business collaboration partners to offer our data center, cloud and managed services, which assists in execution of such Government contracts. Together, with few of these partners such as Larsen and Toubro Limited and EDF India Private Limited we have undertaken a number of smart metering and smart city projects, which include the smart metering project for 5 million smart meters in Uttar Pradesh.

We have formed consortiums with certain companies to cater to clients in the banking sector wherein cloud services have been outsourced to us by such companies. We have also collaborated with certain companies to host SAP HANA (which is an in-memory database, designed to handle transactions and analytics) on our eNlight cloud. Such companies offered implementation and functional aspect of such hosting and we provided the infrastructure and managed services.

We have also partnered with a disaster recovery monitoring & management tool in order to collaborate on disaster recovery services.

IaaS has been our core business and flash storages have been the backbone to our cloud services. Partnering with premium brands such as Dell International Services India Private Limited, allow us an insight to their technologies, develop products collaboratively and also increase our brand visibility and reach.

An important aspect of our managed services portfolio is data back-up. We partner with multiple companies to create flexible models to provide backup solutions.

### Customers

We cater to a diversified client base, across sectors and segments. Our customers include, among others:

Industry	Customers
BFSI	Tata Capital Financial Services Limited, Small Industries Development Bank of India, SHCIL Services Limited

Industry	Customers
Enterprise	Larsen & Toubro Limited, Tech Mahindra Limited, FLOVEL Energy Private Limited, EPL Limited, Symphony Limited, Vadilal Industries Limited, , EDF India Private Limited, US Technology International Private Limited, NTT Data Business Solutions Private Limited
Government	Software Technology Parks of India, Maharashtra Industrial Development Corporation

## Research and development

We are an innovation driven company. In our industry, we are one of the few data center and cloud services provider that has its own R&D team (Source: Ken Research Report). Through our R&D initiatives, we developed our vertically auto scalable cloud, which is patented in the USA and the UK. Our Company was the first company to offer a true Make In India cloud in the nation in 2011 when the nation only knew virtualization (Source: Ken Research Report). Over the years, our R&D team has developed several products that complement our data center and cloud business, which include (a) “eNlight cloud” – a patented vertical auto scalable cloud, which forms the base of our community cloud, (b) “eMagic” – a comprehensive data center management and monitoring suite, (c) “VTMscan” –a vulnerability scanner, which is a computer program designed to assess computers, networks or applications for known weaknesses, (d) “eNlight WAF” – a web access firewall, (d) Web VPN – for secure connectivity, (e) “eCOS” – for object storage, (f) “eNlight IoT” – an indigenously developed IoT platform running on the eNlight Cloud, (g) “eNlight Meet” – a communications solution for virtual meetings, (h) “eNlight SIEM” – for incident and event management, (i) “AA+” – an artificial intelligence/machine learning based lung disease detection through X-Ray scan, (j) “eNlight DRM” – a disaster recovery monitoring solution and (k) “eNlight360” –a hybrid cloud orchestration solution. We are committed to innovation and are focused on creating more niche and cost-effective technology products and solutions, which is our contribution towards “Atmanirbhar Bharat”.

As of June 30, 2021, our R&D team comprises of 177 members. For Fiscals 2021, 2020 and 2019, our R&D expenses, comprised of 5.34%, 4.98% and 2.40% of our total revenue generated during the respective periods. R&D expenses primarily comprise of employee salaries.

## Data Centers

A data center is a dedicated physical infrastructure used to house computer systems, related storage systems and associated components. Data centers serve as the repository for IT equipment such as physical servers, storage subsystems, networking switches, routers and firewalls, as well as the cabling and physical racks used to organize and interconnect the IT equipment. A data center also comprises of supportive infrastructure, such as power distribution and supplemental power subsystems. All of this demands a physical facility with physical security to house the entire collection of infrastructure and equipment (Source: Ken Research Report).

The location of data center, stability of geography, connectivity to submarine cable networks, level of construction activity, power capacity and water availability are certain crucial factors determining operational efficiency of a data center (Source: Ken Research Report). In order to effectively provide our service portfolio, we own and operate three data centers in India, one in each in Navi Mumbai, Nashik and Bengaluru. Our data centers cover, in aggregate, over 50,000 sq. feet across the three locations in India.

All our data centers are connected by a 10 Gbps backbone network and is backed up with disaster recovery services. During the last three fiscal years, all our data centers, during their period of operation, have maintained an uptime of at least 99.995%. Our data centers have been granted “Tier III” status by QSA International Limited and have received the Green IT Infrastructure Award at the Maharashtra IT Awards, 2010 held by the Department of Industries, Government of Maharashtra.

Our data centers house the following facilities -

- (a) N+N redundant UPS, which is a safeguard to ensure that an uninterruptible power supply. .
- (b) Automated multiple diesel generators in N+1 redundancy mode, for onsite power backup for all critical and non-critical appliances.

- (c) Power racks ranging from 4KW to 16KW. A data center rack is an organization tool that ensures airflow so that the internal workings of the machine are not damaged by changes in temperature.
- (d) Dual power distribution units (PDU) in each rack. A rack PDU is a device that can be fitted with multiple outlets to effectively control and distribute electricity.
- (e) Metered PDU for rack level power monitoring and billing.
- (f) Precision air conditioning in N+N redundancy mode with power back-up.
- (g) Advanced laser-based very early smoke detection system (VESDA) continuously monitors the data center air for the presence of any traces of smoke.

Our data centers in India have the following certification: ISO 9001:2015, ISO/IEC 27001:2013, ISO/IEC 20000-1:2018, ISO/IEC 22301:2019, SAP certified in cloud services and Rated Tier 3 by TIA 942 conducted by QSA International Limited.

### **Intellectual property**

Our in-house developed eNlight cloud suite, which is a vertically auto scalable cloud technology, is patented in the United Kingdom (Patent no - GB2493812) and the United States of America (USPTO patent no: US9176788B2). Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to the word and logo “FAMRUT” (under class 42), logo “ESDS” (under class 42), wordmark SPOCHub (under class 42) and in relation to certain goods and services offered by our Company (under classes 9 and 42).

### **Sales and marketing**

We consider brand visibility to be an important element of the IT industry. Our marketing initiatives include a combination of online as well as offline activities, such as (a) those that increase website visitors, session duration and website page views, (b) virtual meetings with customers, (c) search engine optimization to attract potential customers on our website. We also undertake digital marketing through multiple social media channels.

We believe that most of our business contracts have been awarded due to our consultative approach to sales, during which time our technical teams understand the specific and unique customer requirements and offer commercially viable niche and customized solutions. Our sales teams predominantly focus on selling various cloud solutions and services (IaaS, PaaS and SaaS), security services, software development services, website and mobile application development, delivering emerging technologies, industry solutions and community clouds. Typically, we commence our relationship with customers through our managed services, which we are able to cross-sell and up-sell across our portfolio.

In addition to our marketing initiatives, we have partnered with companies such as Tech Mahindra Limited and STPI, that has been a significant contributor to us winning Government orders.

As of June 30, 2021, our sales team comprises of 96 personnel.

### **Employees**

As on June 30, 2021, we employed 946 personnel. The department wise break – up of such personnel are as follows:

<b>Department</b>	<b>Number of Employees</b>
Sales, Presales & Marketing	186
HR & Admin	65
Finance & Billing	18
Purchase & Store	10
Data Center Operation	70
R&D (Spochub, cloud infrastructure products)	177
Governance and Compliance	22
Service Delivery	81
International Operation	89
Technical Support	220
Management	8

Department	Number of Employees
<b>Total</b>	<b>946</b>

### Competition

Although we do not have any ‘like-for-like’ competitors, we face competition from varied players across our different product and service offerings. Across the cloud services industry, there are several companies who provide varied offerings. Such companies include companies of Indian origin like STT, Netmagic (NTT), CtrlS, Sify, Nxtgen and also various international companies including Rackspace, Oracle, Microsoft Azure, Amazon Internet Services and Rackbank. In the SaaS segment, some of the large companies in India include Zoho, Druva and Zenoti (Source: Ken Research Report).

We believe the strength of our brand, end to end and diverse cloud computing product portfolio, unique pricing model such as “pay-per-consumption”, “pay-per-branch” and “pay-per-transaction”, vertically auto scalable capacities and customer experience are important differentiating factors in customers choosing us as their preferred cloud service provider, which helps us in retaining our customers, and sets us apart from our competitors.

### Insurance

Our data centers and offices are insured against fire and certain special perils, including earthquake, terrorism damage and damage caused due to riots and strikes. We have also obtained keyman insurance, directors and officers liability insurance and vehicle insurance. We believe that our insurance coverage is of the type and in the amounts commensurate with the nature and scope of our operations.

### Corporate Social Responsibility

Our corporate social responsibility (“CSR”) initiatives mainly focus on areas including eradication of hunger, poverty and malnutrition, promotion of education, women empowerment, environmental sustainability, contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government, rural development projects and slum development. As a part of the CSR, in Fiscal 2021, we have spent ₹ 3.70 million towards activities such as supporting schools.

### Properties

All the premises from which we operate are on a leasehold basis. Our Registered Office located at Plot No. B-24 & 25, NICE Area, MIDC, Satpur, Nashik 422 007, Maharashtra, India has been leased by us from Nashik Industrial Co-operative Estate Limited. Our Corporate Office (where one of our data centers is located) is located at Plot No. Gen 71/1 & 71/1/1, Mahape Circle, Mahape MIDC, Navi Mumbai 400 710, Maharashtra, India and has been sublet to us from Innovative Infocom & IT Parks Private Limited. Our Company has three data centers situated at Navi Mumbai, Nashik and Bengaluru. Our data center in Bengaluru has been set up and operated by us pursuant to a master service agreement entered into with STPI. Typically, our lease arrangements range from short to medium term, except our Registered Office through which we also operate our data center at Nashik, which is leased for a period of 95 years.

## KEY REGULATIONS AND POLICIES IN INDIA

*Given below is a brief summary of certain sector specific and relevant statutes, rules and/or local legislations in India, which are applicable to our Company. Taxation statutes such as the Income Tax Act, 1961 and other miscellaneous regulations and statutes such as the Trademarks Act, 1999, apply to us as they do to any Indian company.*

*The information in this section has been obtained from various statutes, rules and/or local legislations available in the public domain. The description of the applicable statutes, rules and/or local legislations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "Government and Other Approvals" on page 287.*

### INDUSTRY-SPECIFIC LEGISLATIONS APPLICABLE TO OUR COMPANY

#### 1. The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data exchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic records through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. It provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

Under the Information Technology Act, 2000, we are subject to civil liability to compensate for causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by us due to negligence in implementing and/or maintaining reasonable security practices and procedures.

The IT Act and the Information Technology (Amendment) Act, 2008, which amends the IT Act, facilitate electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability under specified circumstances, and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("DoIT"), in exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("SPDI Rules") in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include

personal information relating to passwords, financial information, medical records, biometric information and so on. The SPDI Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

## **2. The Personal Data Protection Bill, 2019 (“Bill”)**

The Bill, which proposes to amend the Information Technology Act, 2000, seeks to protect of the privacy of individuals, prevent misuse of personal data and also proposes provisions relating to compensation payable by companies for failure to protect personal data by seeking enactment of the Personal Data Protection Act, 2019. The Bill also seeks to establish a Data Protection Authority of India. Currently, the Bill categorizes two kinds of data, (a) “Personal Data” i.e., data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) “Sensitive Personal Data” includes such personal data, which may, reveal, be related to, or constitute, among other things, (i) financial data; (ii) health data; (iii) official identifier; (iv) sex life; (v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to data fiduciaries or data processors not present in India, that handle or process data in relation to individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, act done by a governmental agency in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and act done for preventing incitement to commission of any cognizable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, including that such processing is for a specific, clear and lawful purpose, this includes an act undertaken for, among other things, (i) prevention, investigation, or prosecution of any offence; (ii) processing of by any court or tribunal in India is necessary for the exercise of any judicial function; or (iii) for a journalistic purpose. Contravention of the certain provisions of the Bill by a data fiduciary, such as failure to conduct data protection impact assessment, appointment of a data protection officer, illegal processing of personal data, such fiduciary can be made liable to pay penalties extending to ₹150 million or four percent of its worldwide turnover, whichever is higher. As on date, the Bill is yet to be notified and take effect.

## **3. The National Digital Communications Policy, 2018 (“NDCP”)**

The Ministry of Communications, Department of Telecommunications, vide gazette notification dated October 22, 2018, notified the new telecom policy, NDCP, which replaces the existing National Telecom Policy 2012, to cater to the modern technological advancements such as 5G, cloud computing, internet of things, machine to machine in the telecom sector. The policy envisages establishing India as a global hub for cloud computing, content hosting and delivery, and data communication systems and services which includes a light touch regulatory approach to cloud computing and facilitating cloud service providers to establish captive fiber networks.

## **4. The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”) and the rules framed thereunder**

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, 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. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce a foreign trade policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is authorized to appoint a 'Director General of Foreign Trade' for the purposes of the FTA, including formulation and implementation of the foreign trade policy.

Imports and exports are permitted by persons who hold an “Importer-exporter code number” (“IEC”) unless

specifically exempted. All imports and exports must be carried out in accordance with the applicable laws issued by the Central Government, from time to time. In the event of any contravention of the laws relating to central excise or customs or foreign exchange or any other economic offence under any other law for the time being in force as may be specified by the Central Government by notification in the Official Gazette, or if an export or import has been carried out in a manner gravely prejudicial to the trade relations of India with any foreign country, or to the interests of other persons engaged in imports or exports, or has brought disrepute to the credit or the goods of or services or technology from the country, these instances may result in the suspension and cancellation of the IEC number.

## **5. Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments must be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations, as well as the procedures for appeal in relation to such contravention of the provisions.

## **6. Labour law Legislations**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws other than state-wise shops and establishments acts, which may be applicable to our Company due to the nature of our business activities:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936. Pursuant to notification dated December 18, 2020, the Government of India has notified and brought into effect certain provisions of the Code on Wages, 2019; (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor



Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

## **7. Intellectual Property Laws**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organization is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

### **7.1. The Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

### **7.2. Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act, along with the Copyright Rules, 1958, (collectively, “**Copyright Laws**”) governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Computer programme constitutes a literary work under Indian law and is afforded copyright protection and the owner of such computer programme becomes entitled to protect his works against unauthorized use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author. Reproduction of a copyrighted computer programme for sale or hire or trade exhibit in public or distribution or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the copyright owner amount to infringement of the copyright, provided that such commercial rental does not apply in respect of computer programmes where the programme itself is not the essential object of the rental. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

### **7.3. The Patents Act, 1970 (“Patents Act”)**

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the

above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

While the Patents Act prohibits patentability of a ‘computer program’ as such, computer programmes in combination with a novel hardware could be considered patentable depending on the substance of the invention and applicable provisions of the Patents Act, computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Laws. In terms of the Patents Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

## **8. Environmental laws**

### **8.1. Environment Protection Act, 1986 (“EPA”)**

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of government analysts.

### **8.2. Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

### **8.3. Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the state boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to commencing any such activity.

### **8.4. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution

control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

## 9. Foreign Investment Laws

Foreign investment in India is governed by the provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

Under the Consolidated FDI Policy (effective October 15, 2020), 100% foreign direct investment is permitted in IT/ITES sector, under the automatic route. In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis.

Further, in terms of the FEMA Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together with effect from April 1, 2020, will be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%), unless reduced by way of passing a special resolution. For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 326.

## 10. Overseas Direct Investment (“ODI”)

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth as per the last audited balance sheet. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

## 11. Taxation Legislations

In addition to the material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- a. The Income-tax Act 1961, the Income-tax Rules, 1962, each as amended;
- b. The Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder, each as amended ;
- c. The Integrated Goods and Service Tax Act, 2017, as amended;
- d. Professional tax state-wise legislations; and
- e. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

Direct taxes apply to the income of the cloud computing company and are collected on a combination of withholding at source and direct remittance by the cloud computing company. As a consumer of goods and services, the Company would have a responsibility to bear the economic burden of tax specified under the GST Act. The provider of goods and services, generally, has the responsibility of collection and remittance of the goods and services tax.

Provision of cloud computing services from within India to a recipient also within India will attract goods and services tax (currently, at a composite rate of 18 per cent) under the GST Act. Where cloud computing services are exported and, therefore, consumed outside of India, the rate of applicable goods and services tax is zero (subject to meeting certain requirements). The GST Act replaces the earlier service tax regime. As per the GST Act, cloud service providers are now able to claim credit on the input hardware used for providing services.

## **12. Data Centre Policy, 2020 (“Policy”)**

The Ministry of Electronics & Information Technology released the Policy to *inter alia* (a) drive necessary regulatory, structural and procedural interventions for enabling ease of doing business in the sector, towards attracting investments and accelerating the existing pace of data centre growth in the country; (b) promote sector competitiveness through various fiscal and non-fiscal incentives; (c) promote domestic start-ups, MSMEs and other Indian IT companies and provide impetus to indigenous manufacturing of IT and non-IT equipment; and (d) facilitate standardization in the development of data centres and facilitate access to uninterrupted and cost-effective power, which forms one of the most critical aspects for operating the data centre. The Policy also seeks to enable the ease of doing business, by simplifying clearances for setting up data centres, formulate a Data Centre Incentivization Scheme and establish a Data Centre Industry Council to act as an interface between the sector and the Government.

## **13. Other laws**

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. We also carry on our operations and business, including through our Subsidiaries in the United Arab Emirates and the United States of America. Our business and operations, in such foreign jurisdictions are and will be subject to applicable local laws. For further details, see “*Our Business*” on page 134.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as ESDS Software Solution Private Limited as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 18, 2005 issued by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extra-ordinary general meeting of the Shareholders held on June 30, 2021 and consequently the name of our Company was changed to ESDS Software Solution Limited pursuant to a certificate of incorporation consequent upon conversion from private company to public company issued by the RoC on July 8, 2021.

### Change in the Registered Office

Except as disclosed below, there has been no change in our registered office since incorporation

Effective Date of Change	Details of change	Reason(s) for change
August 5, 2009	10 Archana Society Lokmanya Nagar, Nasik Road, District Nasik, Maharashtra 422 101 to Plot No. B-24 & 25, NICE Area, M.I.D.C, Satpur, Nasik, Maharashtra 422 007	Requirement of additional space and administrative convenience

### Main Objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

- “1. To carry on in India and abroad business of development of all types of software and allied activities.*
- 2. To provide online software services, on line technical support for web hosting companies, to manage web servers, to provide software services in the information and technology sector, to carry out Data Conversion of Books / CD's to Microsoft Word Documents or other word's format provided by the parties through the Hard Copies / CD's Web Down Loads on a regular basis and any other networking or marketing business in India and abroad.*
- 3. To carry on the Business of sale, purchase and supply of IT and Non IT services, Purchase, sale and supply of hardware, collocation of servers, and setting up of IT & Non IT Infrastructure Services.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

### Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' Resolution	Particulars
November 14, 2016	A new set of MOA was adopted and Clause III(A) of the MOA was amended to insert sub clause 3 (as set out below) after the existing sub clause 2:  <i>“To carry on the Business of sale, purchase and supply of IT and Non IT services, Purchase, sale and supply of hardware, collocation of servers, and setting up of IT &amp; Non IT Infrastructure Services”</i>
May 3, 2018	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹300,000,000 divided into 6,127,030 equity shares of face value ₹10, 2,387,297 optionally convertible cumulative preference shares of ₹100 each carrying a coupon rate of 12% to ₹435,000,000 divided into 6,127,030 equity shares of face value ₹10, 2,387,297 12% OCPS and 1,350,000 0.01% compulsory convertible cumulative preference shares of ₹100 each carrying a coupon rate of 0.01% (the <b>“0.01% CCPS”</b> ).

<b>Date of Shareholders' Resolution</b>	<b>Particulars</b>
June 4, 2018	Clause V of the MoA was amended to reflect the reclassification in the authorised share capital of our Company from ₹435,000,000 divided into 6,127,030 equity shares of face value ₹10, 2,387,297 optionally convertible cumulative preference shares of ₹100 each carrying a dividend rate of 12% (the “ <b>12% OCPS</b> ”) and 1,350,000 0.01% compulsory convertible cumulative preference shares of ₹100 each carrying a dividend rate of 0.01% (“ <b>0.01% CCPS</b> ”) to ₹435,000,000 divided into 19,985,000 equity shares of face value ₹10 and 2,351,500 0.01% CCPS.
July 30, 2019	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹435,000,000 divided into 19,985,000 equity shares of face value ₹10 and 2,351,500 0.01% CCPS to ₹435,000,000 divided into 13,500,000 equity shares of face value ₹10 and 3,000,000 0.01% CCPS.
May 27, 2020	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹435,000,000 divided into 13,500,000 equity shares of face value ₹10 and 3,000,000 0.01% CCPS to ₹435,000,000 divided into 11,500,000 equity shares of face value ₹10, 3,000,000 preference shares of ₹100 each carrying a dividend rate of 0.01% and 200,000 preference shares of ₹100 each carrying a dividend rate of 16%.
June 30, 2021	Clause I of the MOA was amended to change the name of our Company from ESDS Software Solution Private Limited to ESDS Software Solution Limited, pursuant to the conversion of our Company from a private limited company to a public limited company.
July 26, 2021	Clause V of the MoA was amended to reflect the sub-division of the face value of the equity shares of our Company, from 11,500,000 equity shares of face value of ₹ 10 each into 115,000,000 Equity Shares of face value of ₹ 1 each Clause V of the MoA was amended to reflect the increase in share capital of our Company from ₹435,000,000 divided into 11,500,000 equity shares of face value ₹1, 3,000,000 preference shares of ₹100 each carrying a dividend rate of 0.01% and 200,000 preference shares of ₹100 each carrying a dividend rate of 16% to ₹445,000,000 divided into 115,000,000 Equity Shares of face value ₹1, 3,000,000 preference shares of ₹100 each carrying a dividend rate of 0.01%, 200,000 preference shares of ₹100 each carrying a dividend rate of 16% and 1,000,000 preference shares of ₹10 each carrying a dividend rate of 0.01% Clause V of the MoA was amended to reflect the increase in share capital of our Company from ₹445,000,000 divided into 115,000,000 Equity Shares of face value ₹1, 3,000,000 preference shares of ₹100 each carrying a dividend rate of 0.01%, 200,000 preference shares of ₹100 each carrying a dividend rate of 16% and 1,000,000 preference shares of ₹10 each carrying a dividend rate of 0.01% to ₹460,000,000 divided into 115,000,000 equity shares of face value ₹1, 3,150,000 preference shares of ₹100 each carrying a dividend rate of 0.01% and 200,000 preference shares of ₹100 each carrying a dividend rate of 16% and 1,000,000 preference shares of ₹10 each carrying a dividend rate of 0.01%

### Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

<b>Calendar Year</b>	<b>Particulars</b>
2021	Additional investment by GEF Capital Partners in our Company through South Asia Growth Fund II Holdings, LLC and South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)
	Conversion of our Company from a private limited to public limited company
2020	Additional investment by GEF Capital Partners in our Company through South Asia Growth Fund II Holdings, LLC and South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited)
	Launch of our data center in Bengaluru
	Introduction of information technology consultancy in services portfolio
	Recognized as SAP® certified in cloud and infrastructure operations for India
2019	Recognized as SAP® certified partner in SAP HANA® operations for India
	Investment by GEF Capital Partners in our Company through South Asia Growth Fund II, L.P. and Global Environment Capital Company, L.L.C.
	Incorporation of foreign Subsidiaries, namely ESDS Cloud FZ LLC in Dubai (United Arab Emirates) and ESDS Global Software Solution, Inc. in the State of Delaware (United States of America)
	Appraised at maturity level 3 of the capability maturity model integrated for software discipline by Map Certifications Private Limited
	Extension of empanelment with the Ministry of Electronics and Information Technology, Government of India as a cloud service provider in India

Calendar Year	Particulars
2017	Received a patent in the United Kingdom for a “method and system for real time detection of resource requirement and automatic adjustments” Entered into a rate contract with DIT Maharashtra
2016	Launch of our data center in Navi Mumbai
2015	We received a USPTO patent for a “method and system for real time detection of resource requirement and automatic adjustments” in relation to our “eNlight Cloud” service
2011	Launch of our Company’s intelligent cloud computing platform- eNlight cloud Launch of our data center in Nashik, Maharashtra

### Awards, accreditations or recognitions

Our Company has received the following awards, accreditations and recognitions:

Sr. No.	Award, accreditations, and recognitions	Calendar Year
1.	Recognised as the Best Tech Brand 2020-21 at the Best Tech Brands 2021 by The Economic Times	2021
2.	Best Mid-Segment Data Center Award at the Data Center Industry Awards for Excellence 2021	
3.	Recognized by the Great Place to Work Institute for its ‘commitment to being a great place to work’	
4.	Ranked 28 <sup>th</sup> amongst India’s Best Companies to Work for by Great Place to Work® Institute India and The Economic Times	2020
5.	Recognised as among India’s 50 Best Workplaces for Women 2020 by Great Place to Work® Institute India	
6.	Recognised as N°15 <sup>th</sup> Best Small & Medium Workplaces in Asia 2020 by Great Place to Work® Institute	
7.	The Nashik Best Employer Brand Award 2019 awarded at the 14 <sup>th</sup> Employer Branding Awards	2019
8.	Ranked 2 <sup>nd</sup> in the Great Mid-Sized Workplaces of India by Great Place to Work® Institute India	
9.	The award for Best Web Hosting and Data Centre Service Provider in West India conferred at the Global Business & Service Excellence Awards 2014 by Prime Time Research Media Private Limited	2014
10.	Best Web Solution and Data Center Service Provider in Maharashtra conferred at the Global Business & Service Excellence Awards 2013 by Prime Time Research Media Private Limited	2013
11.	Most Promising Banking Technology Solutions & Service Provider in North Maharashtra conferred at the Business & Service Excellence Awards 2012 by Big Research	2012
12.	Outstanding HP Storage Business 2011-2012 conferred by HP	

### Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### Subsidiaries, associates or joint ventures

We do not have any associates or joint ventures. For details with respect to our Subsidiaries, see “*Our Subsidiaries*” beginning on page 161.

### Time/cost overrun

There have been no time or cost over-runs in setting up of projects by our Company.

### Launch of key products or services, location of our data centers and entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, location of our data centers and entry into new geographies or exit from existing markets to the extent applicable, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 134 and 265.

### Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there have been no defaults, restructuring or rescheduling of borrowings availed by our Company from financial institutions or banks. However, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements. Pursuant to such measures, we availed a moratorium offered by the RBI to defer payments under a few financing arrangements.

#### **Details of material acquisition or divestments in the last 10 years**

Our Company has not acquired or divested any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus.

#### **Mergers or amalgamation in the last 10 years**

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

#### **Revaluation of assets in the last 10 years**

Except as disclosed below, our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Our Company had revalued the carrying value of the land and building as on March 31, 2020, from their carrying value as at March 31, 2020 (before revaluation) of ₹ 22.98 million and ₹ 77.66 million, respectively pursuant to adjustment on account of fair valuation to ₹65.67 million and ₹110.51 million, respectively, as on March 31, 2020. For further details, please refer to “*Restated Consolidated Financial Statements- 3. Property, plant and equipment*” on page 217.

#### **Details of subsisting shareholders’ agreements**

*Share Subscription cum Shareholders Agreement dated May 31, 2018 (“SSSHA”) entered into by and between GEF US Advisors, LLC (“GEF”), South Asia Growth Fund II, L.P. (“SAGF”), Global Environment Capital Company, LLC (“GECC”), Piyush Prakashchandra Somani and Sarla Prakashchandra Somani and our Company, as amended. Piyush Prakashchandra Somani and Sarla Prakashchandra Somani are collectively referred to as the “SHA Shareholders”.*

Our Company, the SHA Shareholders, GEF and Canbank Venture Capital Fund Limited (“CVCFL”) entered into a share subscription agreement dated April 25, 2018 and a share purchase agreement dated April 25, 2018, and the deed of accession cum amendment dated May 29, 2018 (the “**Deed of Accession**”) with SAGF and GECC, affiliates of GEF (collectively, the “**Initial Investors**” and together with South Asia Growth Fund II Holdings, LLC and South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited), the “**Investors**”). The Initial Investors had agreed to collectively subscribe to 1,328,355 CCPS of our Company (i.e., 972,356 CCPS and 355,999 CCPS by SAGF and GECC respectively) and purchase the entire shareholding of CVCFL in our Company (i.e., 262,100 equity shares of ₹10 each) (the “**Initial Investment**”). Thereafter, pursuant to the SSSHA, SAGF and GECC agreed to additionally subscribe to 748,925 CCPS and 274,197 CCPS respectively.

The SSSHA records the *inter se* rights and obligations of our Company, the Investors and the SHA Shareholders. Pursuant to the Deed of Accession, the rights and obligations conferred by the SSSHA upon GEF, were extended to the Initial Investors. The SSSHA imposes certain restrictions on the transfer of shares and prescribes for lock-in of the shares held by the SHA Shareholders till the time the Investors hold securities in our Company. The SHA Shareholders are required to obtain written consent from the Investors prior to transferring the securities held by them except after a successful initial public offering by our Company. The Investors have the right of first refusal and the rights to tag along for any shares proposed to be sold by any shareholders of our Company (including the SHA Shareholders). Further, in the event of an issue of securities by the Company, except in specified circumstances such as pursuant to a public offer or an employee stock option plan, the Investors have pre-emptive rights to maintain their proportionate shareholding in our Company, at their sole discretion. The Investors also have certain anti-dilution rights, in the event an issuance is proposed at a price which is lower than the price at which the Initial Investors had subscribed to the CCPS or such that the valuation of our Company is lower than the valuation at which the Initial Investors had subscribed to the CCPS.



In terms of the SSSHA, the Investors have the right to appoint nominee Directors, not liable to retire by rotation, on the Board in proportion to their shareholding in our Company subject to the right to appointment a minimum of two nominee directors, while the SHA Shareholders have the right to nominate three Directors with Piyush Prakashchandra Somani serving as the chairman of the Board. The Investors have the right to appoint observers on the Board in case a nominee director has not been appointed or ceases to be a director. The directors nominated by the Investors have the right to be appointed as members of the committees constituted by the Board. The SSSHA provided that certain matters require the prior written consent of the Investors, including alteration or changes to the rights, preferences or privileges of any securities, amendment to the Memorandum of Association and Articles of Association, modifying our capital structure and formation of a new subsidiary. Apart from this, the Investors also have information rights in relation to, *inter alia*, (i) the financial statements (audited and unaudited) of the Company; (ii) monthly management reports; (iii) minutes of the meetings of the Board, committees of the Board and Shareholders; (iv) annual operating budgets and annual business plan; (v) changes to the capital structure of our Company and employment of Key Managerial Personnel and (vi) details of any legal proceedings. Such information rights will be suspended from the date of filing of the Red Herring Prospectus. Pursuant to the provisions of the SSSHA, the Board of the Company have appointed a third party as a joint signatory to the bank accounts of the Company.

Thereafter, GECC transferred its stake in our Company to GEF ESDS Partners, LLC (“**GEPL**”) and all the rights of GECC under the SSSHA were extended to GEPL pursuant to the deed of adherence dated October 10, 2018.

The SSSHA was amended *vide* the Share Subscription Cum Amendment to the SSSHA dated July 30, 2019, pursuant to which our Company issued 564,232 Class A CCPS and 3,634 Class A CCPS to South Asia Growth Fund II Holdings, LLC and South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited) (the “**Additional Investors**”), respectively and the terms and conditions of such issuance was recorded.

The SSSHA was further amended *vide* the Securities Subscription Cum Amendment to the SSSHA dated May 22, 2020 (the “**Second Amendment**”). The amendments included, *inter alia*, provisions relating to the conversion multiple and conversion shareholding percentage for the CCPS held by the Additional Investors. Pursuant to the Second Amendment, the Additional Investors collectively subscribed to 461,934 CCDs and 162,842 Class B1 CCPS issued by our Company.

Subsequently, the SSSHA was further amended *vide* the Investment cum Third Amendment to the SSSHA dated August 6, 2021 (“**Third Amendment**”). The Third Amendment provides for the allotment of 677,930 Class C CCPS to the Additional Investors and records the terms of such subscription. Further, the Third Amendment has revised the previously dividend rate of the CCDs and Class B1 CCPS from 16% to 0.01%. The Third Amendment also provides for and/or revises the manner of and formulae for conversion of the Class A CCPS, Class B1 CCPS, Class C CCPS and CCDs into Equity Shares. For details in relation to the conversion, see “*Capital Structure*” on page 74.

Subsequently, on the transfer of 20,750,000 Equity Shares by Sarla Prakashchandra Somani to the P.O. Somani Family Trust (the “**Trust**”), the Trust executed a deed of adherence dated August 30, 2021 (the “**Trust Deed of Adherence**”). Pursuant to the Trust Deed of Adherence, the rights and obligations of the SHA Shareholders (including the rights and obligations stated above) were extended to the P.O. Somani Family Trust.

The Initial Investors (in relation to the CCPS held by them) and the Additional Investors (in relation to the Class A CCPS, Class B1 CCPS, Class C CCPS and CCDs held by them) are currently entitled to vote on all matters on all matters on an “as if converted” basis, in accordance with the SSSHA. For further details of the terms and conditions of the Preference Shares and CCDs, see “*Description of Equity Shares and Terms of the Articles of Association- Part II*” on page 358.

Pursuant to the Waiver cum Amendment Agreement to the SSSHA dated August 9, 2021 executed among the Investors, our Company, the SHA Shareholders and the P.O. Somani Family Trust (“**WCA Agreement**”). Pursuant to the WCA Agreement, the SSSHA shall automatically upon commencement of listing and trading of our Company’s Equity Shares on a recognised stock exchange in India, provided that the Investors shall have the right to appoint one nominee director, until such time that the Investors (together with their affiliates) continue to hold at least five percent of the issued and fully paid-up equity share capital of our Company. Provided that such right may be exercised after approval of such right by way of a special resolution by the Shareholders of the Company, at a general meeting held post listing of the Equity Shares and no approval of this

right shall be required for any subsequent exercise of the right after the initial approval (including for the appointment of the Investor alternate Director or a nominee in case of a casual vacancy).

Pursuant to the WCA Agreement, the Investors have agreed to waive and suspend, *inter alia*, (a) their information and inspection rights and right to appoint an observers to the Board from the date of the filing of the Red Herring Prospectus till listing of the Equity Shares of the Company; and (b) their rights relating to transfer restrictions, right of first refusal and tag-along.

#### **Other agreements**

Neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Except as disclosed above, our Company has not entered into any subsisting material agreement, other than in the ordinary course of business.

#### **Significant financial and/or strategic partners**

Our Company does not have any significant financial and/or strategic partners as of the date of filing this Draft Red Herring Prospectus.

## OUR SUBSIDIARIES

Our Company has four Subsidiaries, as on the date of this Draft Red Herring Prospectus.

- (i) ESDS Internet Services Private Limited;
- (ii) ESDS Cloud FZ LLC;
- (iii) ESDS Global Software Solution Inc; and
- (iv) Spochub Solutions Private Limited.

Set out below are details of our Subsidiaries.

### 1. *ESDS Internet Services Private Limited (“ESDS Internet Services”)*

#### *Corporate Information*

ESDS Internet Services was incorporated as a private company limited by shares under the Companies Act, 1956, on February 1, 2010. Its CIN is U72900MH2010PTC199511, and its registered office is situated at B-24 and 25 NICE Industrial Area, Satpur MIDC Nashik, Maharashtra- 422 007.

#### *Nature of Business*

ESDS Internet Services is in the business of providing internet services.

#### *Capital Structure*

Below is the capital structure of ESDS Internet Services:

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital	100,000
Issued, subscribed and paid-up share capital	18,000

#### *Shareholding Pattern*

The shareholding pattern of ESDS Internet Services as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total equity share capital (%)
1.	ESDS Software Solution Limited	9,000	50.00
2.	Piyush Prakashchandra Somani	90	0.50
3.	Sarla Prakashchandra Somani	90	0.50
4.	Yeshwant Patil	8,820	49.00
<b>Total</b>		<b>18,000</b>	<b>100.00</b>

### 2. *ESDS Cloud FZ LLC (“ESDS Cloud FZ”)*

#### *Corporate Information*

ESDS Cloud FZ was incorporated as a free zone company with limited liability on May 29, 2019, in accordance with the provisions of the Registrar of Companies of Dubai Development Authority in the Emirates of Dubai. Its commercial license number is 96100. Its registered office is situated at 315, Third Floor, 10, Dubai Internet City, Dubai, United Arab Emirates.

#### *Nature of Business*

ESDS Cloud FZ is in the business of providing IT services including *inter alia* IT consultancy and IT support services.

### Capital Structure

Below is the capital structure of ESDS Cloud FZ:

Particulars	No. of equity shares of face value of AED 1000 each
Authorized share capital	10
Paid-up share capital	10

### Shareholding Pattern

The shareholding pattern of ESDS Cloud FZ as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of AED 1000 each) held	Percentage of total equity share capital (%)
1.	ESDS Software Solution Limited	10	100.00
	<b>Total</b>	<b>10</b>	<b>100.00</b>

### 3. ESDS Global Software Solution Inc (“ESDS Global”)

#### Corporate Information

ESDS Global was incorporated as a company on July 1, 2019, in accordance with the provisions of the General Corporation Law of the State of Delaware. Its company registration number is 20190107436 and its registered office is situated in 919, North Market Street, Suite 950, Wilmington, County of New Castle, 19801.

#### Nature of Business

ESDS Global is in the business of providing data centre’s and management services.

#### Capital Structure

Particulars	No. of equity shares of face value of 1\$ each
Authorised share capital	1,000
Paid-up share capital	1,000

### Shareholding Pattern

The shareholding pattern of ESDS Global as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of 1\$ each) held	Percentage of equity share total capital (%)
1.	ESDS Software Solution Limited	1,000	100.00
	<b>Total</b>	<b>1,000</b>	<b>100.00</b>

### 4. Spochub Solutions Private Limited (“Spochub”)

#### Corporate Information

Spochub was incorporated as a private company limited by shares under the Companies Act, 2013, on February 25, 2021. Its CIN is U72900MH2021PTC355918, and its registered office is situated at P NO B-24/25, Nice, M.I.D.C., Satpur Nashik- 422 007.

#### Nature of Business

Spochub is in the business of gathering, accumulating, organising, tabulating, managing, obtaining, collecting, purchase, acquisition, import, dissemination, disposal, export, sales and marketing of and trading in, all types of information, data, statistics, computer based information systems and data bases and library and information sciences, both in the form and nature in which the same may be so gathered,

accumulated, organised, tabulated, obtained, imported, acquired, collected or purchased and also in all types of modified forms, formats, manner and nature.

#### *Capital Structure*

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital	50,000
Issued, subscribed and paid-up share capital	20,000

#### *Shareholding Pattern*

The shareholding pattern of Spochub as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	Number of equity shares (of ₹10) held	Percentage of total equity share capital (%)
ESDS Software Solution Limited	19,998	100.00
Piyush Prakashchandra Somani	2	Negligible
<b>Total</b>	<b>20,000</b>	<b>100.00</b>

#### **Accumulated profits or losses**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

#### **Interest in our Company**

Except as provided in “*Our Business*” on page 134 and “*Summary of the Offer Document-Summary of Related Party Transactions*” on page 25, none of our Subsidiaries have any business interest in our Company.

#### **Related business transactions**

Except as disclosed in “*Restated Consolidated Financial Statements-Note 33-Related party transactions*” on page 243, there have been no related business transactions of our Subsidiaries with our Company during the last three Fiscals.

#### **Common pursuits**

ESDS Cloud FZ and ESDS Global are in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst these Subsidiaries and our Company. Our Company will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise.

#### **Other confirmations**

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association provides that our Board shall comprise of a minimum of six Directors and a maximum of 15, provided that our Shareholders shall have the right to increase such number of Directors in accordance with the Articles and the Companies Act.

As on the date of this Draft Red Herring Prospectus, we have seven Directors on our Board, of whom two are Executive Directors, one is a Non-Executive Director and four are Independent Directors including two Independent women Directors. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><b>Piyush Prakashchandra Somani</b></p> <p><i>Designation:</i> Managing Director and Chairman</p> <p><i>Date of birth:</i> June 9, 1979</p> <p><i>Address:</i> Flat No. 1004, Plot No 1 2, B-Wing, Karabi Samraat Tropicano, Serene Medows, Anandwalli, Nashik - 422 013, Maharashtra, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Five years with effect from January 26, 2020 (liable to retire by rotation)</p> <p><i>Period of directorship:</i> Since incorporation</p> <p><i>DIN:</i> 02357582</p>	42	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ ESDS Internet Services Private Limited; and</li> <li>▪ SPOCHUB Solutions Private Limited.</li> </ul> <p><i>Foreign companies</i></p> <ul style="list-style-type: none"> <li>▪ ESDS Cloud FZ LLC; and</li> <li>▪ ESDS Global Software Solution, Inc.</li> </ul>
<p><b>Komal Somani</b></p> <p><i>Designation:</i> Whole Time Director</p> <p><i>Date of birth:</i> June 1, 1986</p> <p><i>Address:</i> Flat No. 1004, Plot No 1 2, B-Wing, Karabi Samraat Tropicano, Serene Medows, Anandwalli, Nashik - 422 013, Maharashtra, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Five years with effect from July 28, 2021 (liable to retire by rotation)</p> <p><i>Period of directorship:</i> Since July 28, 2021</p> <p><i>DIN:</i> 08477154</p>	35	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Resvera Wines Private Limited.</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>Alipt Sharma</b></p> <p><i>Designation:</i> Nominee Director</p>	44	<p><i>Indian Companies</i></p>

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Date of birth:</i> November 11, 1976</p> <p><i>Address:</i> D-104, Oberoi Splendor, Opposite Majas Depot, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060, Maharashtra, India</p> <p><i>Occupation:</i> Investment Advisor</p> <p><i>Current term:</i> Not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since June 4, 2018</p> <p><i>DIN:</i> 03128439</p>		<ul style="list-style-type: none"> <li>▪ Rochem Separation Systems (India) Private Limited;</li> <li>▪ Rishabh Instruments Pvt Ltd;</li> <li>▪ Kalki Communication Technologies Private Limited.</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>Ramesh Kumar Amudalapalli</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> May 6, 1963</p> <p><i>Address:</i> C-204, Suman Apartments, Orlem Tank Road, Near Orlem Church, Malad West, Mumbai - 400 064, Maharashtra, India</p> <p><i>Occupation:</i> Consultant</p> <p><i>Current term:</i> Five years from July 28, 2021</p> <p><i>Period of directorship:</i> Since July 28, 2021</p> <p><i>DIN:</i> 09240436</p>	58	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>Dhandapani T. G.</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> April 18, 1957</p> <p><i>Address:</i> 106, Bayview Apartment, 4<sup>th</sup> Seaward Road, Valmiki Nagar, Thiruvanmiyur, Chennai 600 041, Tamil Nadu, India</p> <p><i>Occupation:</i> IT Consultant</p> <p><i>Current term:</i> Five years from July 28, 2021</p> <p><i>Period of directorship:</i> Since July 28, 2021</p> <p><i>DIN:</i> 09239677</p>	64	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>Uma Manoj Mandavgane</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> January 2, 1967</p> <p><i>Address:</i> 504, Sai Sharan, 5<sup>th</sup> Floor, N.C Kelkar Road, Dadar West, Mumbai, Bhawani Shankar, Mumbai 400 028, Maharashtra, India</p>	54	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Bloom Systems Private Limited;</li> <li>▪ Prince Pipes and Fittings Limited;</li> <li>▪ Quantum Asset Management Company Private Limited.</li> </ul>

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<i>Occupation:</i> Service <i>Current term:</i> Five years from July 28, 2021 <i>Period of directorship:</i> Since July 28, 2021 <i>DIN:</i> 03156224		<i>Foreign Companies</i>  Nil
<b>Pamela Kumar</b> <i>Designation:</i> Independent Director <i>Date of birth:</i> September 8, 1960 <i>Address:</i> #23 UAS Layout, 6 <sup>th</sup> Cross 1 <sup>st</sup> Main, Sanjaynagar, RMV Extension, Stage II, Bangalore - 560 094, Karnataka, India <i>Occupation:</i> Engineer <i>Current term:</i> Five years from July 28, 2021 <i>Period of directorship:</i> Since July 28, 2021 <i>DIN:</i> 07616165	60	<i>Indian Companies</i>  Nil  <i>Foreign Companies</i>  Nil

### Brief profiles of our Directors

**Piyush Prakashchandra Somani** is the Promoter and Managing Director of our Company and Chairman of our Board. He holds a bachelor's degree in engineering (electronics) from the University of Pune. He has over 16 years of experience in the information technology sector. As the founder of our Company at the age of 26, he has been instrumental in expanding the operations of our Company in India and several international markets. He is also on the board of our Subsidiaries, ES DS Internet Services Private Limited, SPOCHUB Solutions Private Limited, ES DS Cloud FZ LLC and ES DS Global Software Solution, Inc.

**Komal Somani** is the Whole Time Director on our Board and the Chief Marketing Officer of our Company. She holds a bachelor's degree in engineering from the University of Pune. She has been associated with our Company since September 1, 2012. She has won several awards and recognitions such as "Most Innovative Woman of the Year – 2018" at the 2<sup>nd</sup> She Leads Summit and Awards, 2018, was ranked amongst the 50 Most Innovative HR Technology Leaders 2017, and amongst the 25 Most Innovative HR Tech Leaders – 2016 at the Asia Pacific HRM Congress. She was also awarded the Maharashtra Nari Ratna Award 2017, Tejaswini Sanmaan by Swaraj in 2017 and Nashik Best HR Leaders – 2017. She is also on the board of Resvera Wines Private Limited.

**Alipt Sharma** is a Nominee Director on the Board of our Company. He holds a bachelor's degree in arts (economics) from the University of Delhi, has completed the post-graduate programme in management from the Indian School of Business, Hyderabad and is an associate member of the Institute of Chartered Accountants of India. He was previously associated with Ambit Private Limited as the associate vice president in the corporate finance business. He is also on the board of Rochem Separation Systems (India) Private Limited, Rishabh Instruments Pvt Ltd and Kalki Communication Technologies Private Limited.

**Ramesh Kumar Amudalapalli** is an Independent Director of our Company. He holds a master's degree in technology from Osmania University. He has over 20 years of experience in technology management and software development. Previously, he was associated with ICICI Bank Limited as the Technology Head – Technology Management Group, Software Development Group and Purchase Order Processing & Payments.

**Dhandapani T. G.** is an Independent Director of our Company. He holds a bachelor's degree in commerce from



the University of Madras and is an associate member of the Institute of Chartered Accountants of India. He has over 35 years of experience in the IT sector. He has completed the global program for management development by Ross School of Business, Michigan and the international seminar on IQC for Top Management organized by the Union of Japanese Scientists and Engineers. He was previously associated with Sundaram-Clayton Limited as their chief information officer.

**Uma Manoj Mandavgane** is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Bombay and is an associate member of the Institute of Chartered Accountants of India. She has experience in the field of systems audit, control and systems security. Previously, she has worked with companies such as Lupin Laboratories Limited, Jindal Iron & Steel Co. Limited, Blow Past Limited and ANB Consulting Company Private Limited. She is also presently the designated partner of Azzure Advisory & Consulting Services LLP. She is also on the board of Bloom Systems Private Limited, Prince Pipes and Fittings Limited and Quantum Asset Management Company Private Limited.

**Pamela Kumar** is an Independent Director of our Company. She holds a bachelor's degree in engineering from the Panjab University and a master's degree in science from Rutgers The State University. She has completed the Executive General Management Programme conducted by the Indian Institute of Management Bangalore. Previously, she has been associated with AT&T Information Systems, Centre for Development of Telematics, Network Programs (India) Private Limited., Alliance Semiconductor (India) Private Limited, Texas Instruments (India) Limited, IBM India Private Limited, Hewlett-Packard India Software Operation Private Limited, and has previously been appointed as a Director General, India's Telecom Standards Development Organisation. She has over 15 years of experience in the field of systems and technology.

### **Confirmations**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her 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 term of his/her directorship in such company.

Except Piyush Prakashchandra Somani who is the spouse of Komal Somani, none of our other Directors are related to each other.

No sum or consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

Except Alipt Sharma who has been appointed as a Nominee Director on our Board by South Asia Growth Fund II LP and Global Environment Capital Company LLC pursuant to the SSSHA none of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. See "*History and Certain Corporate Matters - Details of subsisting shareholders' agreements*" on page 158.

### **Service contracts with Directors**

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

### **Terms of appointment of our Executive Directors:**

#### **Piyush Prakashchandra Somani**

Our Board at their meeting held on August 7, 2021 approved the appointment of Piyush Prakashchandra Somani as Managing Director for a period of five years from January 26, 2020. Our Shareholders have approved such appointment at their extra-ordinary general meeting held on August 9, 2021 for a period of five years from January 26, 2020. The following table sets forth the terms of appointment of Piyush Prakashchandra Somani as approved our Shareholders at their meeting held on August 9, 2021:

<b>Sr. No.</b>	<b>Category</b>	<b>Particulars</b>
1.	Salary	₹7.00 million per annum, with effect from July 8, 2021 including basic salary, house rent allowance, conveyance allowance, education allowance, special allowance, medical allowance and other perquisites, bonus, performance incentives and other additional perquisites/benefits, as set out in service agreement dated August 9, 2021 as executed between the Company and Piyush Prakashchandra Somani.  The annual increments which will be effective and will be decided by the Board and will be merit-based and take into account the Company's performance.
2.	Minimum Remuneration	In the event of inadequacy or absence of profits in any financial year or years as contemplated under the provisions of Section II of Part II of Schedule V of the Act, the aforementioned remuneration approved be continued to be paid as minimum remuneration to Piyush Prakashchandra Somani for a period as may be allowed under the Act.

#### **Komal Somani**

Our Board at their meeting held on July 28, 2021 approved the appointment of Komal Somani as Whole Time Director for a period of five years, with effect from July 28, 2021. Our Shareholders have approved such appointment at their extra-ordinary general meeting held on August 9, 2021 for a period of five years, with effect from July 28, 2021. The following table sets forth the terms of appointment of Komal Somani as approved our Shareholders at their meeting held on August 9, 2021:

<b>Sr. No.</b>	<b>Category</b>	<b>Particulars</b>
1.	Salary	₹4.00 million per annum, with effect from July 28, 2021 including basic salary, house rent allowance, conveyance allowance, education allowance, special allowance, medical allowance and other perquisites, bonus, performance incentives and other additional perquisites/benefits, as set out in service agreement dated August 9, 2021 as executed between the Company and Komal Somani.  The annual increments which will be effective and will be decided by the Board and will be merit-based and take into account the Company's performance.
2.	Minimum Remuneration	In the event of inadequacy or absence of profits in any financial year or years as contemplated under the provisions of Section II of Part II of Schedule V of the Act, the aforementioned remuneration approved be continued to be paid as minimum remuneration to Komal Somani for a period as may be allowed under the Act.

#### **Terms of appointment of the Nominee Director**

Our Nominee Director, Aipt Sharma, is not entitled to any remuneration or sitting fees for attending meetings of our Board and committees thereof.

#### **Terms of appointment of our Independent Directors**

Pursuant to the Board resolution dated August 7, 2021 each Independent Director is entitled to receive sitting fees of ₹60,000 per meeting for attending meetings of the Board, ₹45,000 per meeting for attending meetings of the Audit Committee, ₹30,000 for attending all other meetings of committees of the Board and ₹30,000 for attending meetings of the Board (other than quarterly meetings), within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

Except for Piyush Prakashchandra Somani, our Managing Director and Chairman, and Komal Somani, our Wholetime Director, our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Draft Red Herring Prospectus.

There is no contingent or deferred compensation payable to our Directors which does not form a part of their remuneration.

In Fiscal 2021, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2021 is as follows:

### 1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2021 is as set out below:

Name of Director	Designation	Total remuneration (in ₹ million)
Piyush Prakashchandra Somani	Managing Director and Chairman	6.81
Komal Somani	Whole Time Director	2.67*
Sarla Prakashchandra Somani	Executive Director	1.98**

\*Komal Somani was appointed as a Director of our Company in Fiscal 2022 and accordingly no remuneration was paid in Fiscal 2021 in the capacity of a Director. The remuneration mentioned above was received by her, in her capacity as the chief marketing officer of our Company during Fiscal 2021.

\*\* Sarla Prakashchandra Somani resigned from our Board with effect from July 28, 2021.

### 2. Nominee Director

Alipt Sharma, the Nominee Director has not received any remuneration in Fiscal 2021.

### 3. Independent Directors

Our Independent Directors have been appointed in Fiscal 2022. Accordingly, no remuneration or sitting fees has been paid to any of our Independent Directors in Fiscal 2021.

### Remuneration paid by our Subsidiaries

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in Fiscal 2021.

### Shareholding of Directors in our Company

The table below sets forth details of Equity Shares held by the Directors, as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Piyush Prakashchandra Somani	24,800,000
2.	Komal Somani	10

Our Articles of Association do not require our Directors to hold qualification shares.

## **Borrowing Powers**

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, a resolution passed by our Board at its meeting held on March 2, 2014 and a resolution passed by our Shareholders at their meeting held on March 3, 2014, our Board has been authorized to borrow sums from time to time, which together with monies already borrowed (apart from temporary loans obtained our Company's banks in the ordinary course of business), may exceed aggregate of its paid up share capital and free reserves, provided that the aggregate amount so borrowed does not exceed ₹500 million or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

## **Bonus or profit-sharing plan for our Directors**

Our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

## **Interest of Directors**

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board and the reimbursement of expenses payable to them.

Our Managing Director and Chairman and our Whole Time Director may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company.

Piyush Prakashchandra Somani and Komal Somani may also be interested to the extent of their shareholding in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

Komal Somani is also interested as a beneficiary of the P.O Somani Family Trust to the extent of the shareholding of the P.O Somani Family Trust in our Company.

Further, Piyush Prakashchandra Somani may also be deemed to be interested to the extent of the loan extended by him to our Company. For more details, please see '*Our Promoter and Promoter Group - Interests of Promoter*' beginning on page 183.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners. Our Nominee Director, Alipt Sharma, may also be deemed to be interested to the extent of Equity Shares and convertible securities held by South Asia Growth Fund II LP and Global Environment Capital Company LLC, being the entity which nominated him to the Board of our Company. . Further, Alipt Sharma may also be deemed to be interested to the extent of him being a beneficiary of South Asia EBT Trust, which is a Selling Shareholder in the Offer.

### *Interest of Directors in the promotion or formation of our Company*

Other than Piyush Prakashchandra Somani, none of our Directors have any interest in the promotion or formation of our Company.

No sum has been paid or agreed to be paid to the Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in "*Restated Consolidated Financial Statements – 33. Related Party Transactions*" at page 243, our Directors do not have any other business interest in our Company.

## Changes to our Board in the last three years

Name	Date of appointment/ change in designation/ cessation	Reason
Ramesh Kumar Amudalapalli	July 28, 2021	Appointment as Independent Director*
Dhandapani T. G.	July 28, 2021	Appointment as Independent Director*
Uma Manoj Mandavgane	July 28, 2021	Appointment as Independent Director*
Pamela Kumar	July 28, 2021	Appointment as Independent Director*
Komal Somani	July 28, 2021	Appointment as Whole Time Director**
Sarla Prakashchandra Somani	July 28, 2021	Resignation as Executive Director
Rajesh Ramakant Pai	July 6, 2020	Resignation as Nominee Director

\*These Directors were originally appointed as additional Directors by our Board on July 28, 2021. Subsequently, the appointment of such Directors was regularized pursuant to resolutions of our Shareholders on August 27, 2021.

\*\* Komal Somani was originally appointed as an additional Director by our Board on July 28, 2021. Subsequently, the appointment of Komal Somani was regularized pursuant to a resolution of our Shareholders on August 9, 2021.

## Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of this Draft Red Herring Prospectus, we have seven Directors on our Board, of whom two are Executive Directors, one is a non-executive Nominee Director and four are Independent Directors including two independent women Directors.

## Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Corporate Social Responsibility Committee;
- (d) Stakeholders Relationship Committee; and
- (e) Risk Management Committee.

### 1. Audit Committee

The Audit Committee was last reconstituted by a resolution of our Board dated August 7, 2021. The current constitution of the Audit Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Uma Manoj Mandavgane	Chairperson	Independent Director
Dhandapani T.G.	Member	Independent Director
Ramesh Kumar Amudalapalli	Member	Independent Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice;
  - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
  - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
  - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
  - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - (i) 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;
    - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
    - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
    - (iv) Significant adjustments made in the financial statements arising out of audit findings;
    - (v) Compliance with listing and other legal requirements relating to financial statements;
    - (vi) Disclosure of any related party transactions; and
    - (vii) Qualifications / modified opinion(s) in the draft audit report.
  - (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the

monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) 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;
- (p) Discussion with internal auditors of any significant findings and follow up there on;
- (q) 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;
- (r) 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;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
- (x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (y) Monitoring the end use of funds through public offers and related matters;
- (z) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide

for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and

- (aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - (bb) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
  - (cc) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and .
  - (dd) Such roles and functions as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
  - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
  - (d) Internal audit reports relating to internal control weaknesses;
  - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
  - (f) Statement of deviations:
    - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
    - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
    - iii. review the financial statements, in particular, the investments made by any unlisted subsidiary.

## **2. Nomination and Remuneration Committee (“NR Committee”)**

The NR Committee was last reconstituted by a resolution of our Board dated August 7, 2021. The current constitution of the NR Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Dhandapani T.G.	Chairperson	Independent Director
Uma Manoj Mandavgane	Member	Independent Director
Pamela Kumar	Member	Independent Director

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:



- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
  - (c) Devising a policy on Board diversity;
  - (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
  - (e) Analysing, monitoring and reviewing various human resource and compensation matters;
  - (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  - (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
  - (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "**SBEB Regulations**"), as may be amended from time to time;
  - (k) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates;
  - (l) Administering any employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
    - i. Determining the eligibility of employees to participate under the ESOP Scheme;
    - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
    - iii. Date of grant;
    - iv. Determining the exercise price of the option under the ESOP Scheme;
    - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
    - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

- vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. formulate the procedure for funding the exercise of options;
  - xiii. The procedure for cashless exercise of options;
  - xiv. Forfeiture/ cancellation of options granted;
  - xv. formulate the procedure for buy-back of specified securities issued under the SBEB Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - permissible sources of financing for buy-back;
    - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
    - limits upon quantum of specified securities that the Company may buy-back in a financial year.
  - xvi. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
    - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (m) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (n) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.
- (o) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
- (p) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

### 3. Corporate Social Responsibility Committee (“CSR Committee”)

The CSR Committee was last reconstituted by a resolution of our Board dated August 7, 2021. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Piyush Prakashchandra Somani	Chairperson	Managing Director and Chairman
Ramesh Kumar Amudalapalli	Member	Independent Director
Alipt Sharma	Member	Nominee Director

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII To review from time-to-time Corporate Social Responsibility (CSR) policy in the light of emergent situation and statutory frame work;
- (b) To recommend the amount of investment to be made on CSR activities;
- (c) To monitor the implementation of CSR policy and Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by company;
- (d) To do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (e) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

### 4. Stakeholders Relationship Committee (“SR Committee”)

The SR Committee was constituted by a resolution of our Board dated August 7, 2021. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Ramesh Kumar Amudalapalli	Chairperson	Independent Director
Piyush Prakashchandra Somani	Member	Managing Director and Chairman
Pamela Kumar	Member	Independent Director

The scope and function of the SR committee is in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Considering and looking into various aspects of interests of shareholders, debenture holders and other security holders;
- (b) Redressal of all security holders’ and investors’ grievances such as complaints related to transfer of shares, including non-receipt of share certificates, issue of new/duplicate certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, general meetings, etc., and assisting with quarterly reporting of such complaints;
- (c) Reviewing of measures taken for effective exercise of voting rights by shareholders;

- (d) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (e) Giving effect to all allotment, transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (f) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (g) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (h) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

#### 5. **Risk Management Committee (“RM Committee”)**

The RM Committee was constituted by a resolution of our Board dated August 7, 2021. The current constitution of the RM Committee is as follows:

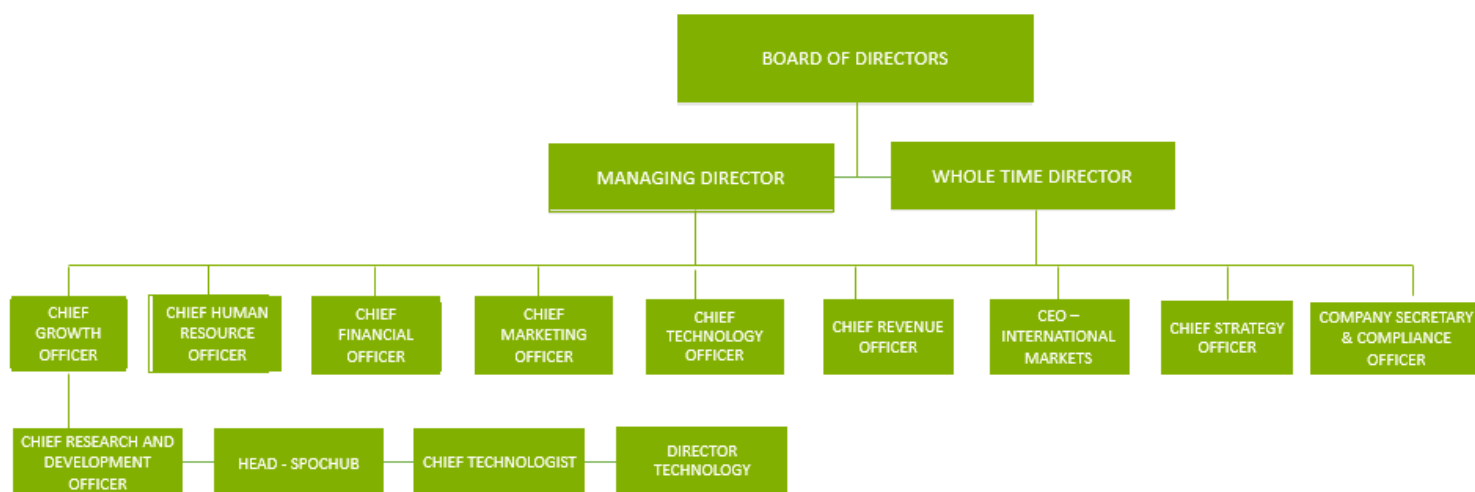
<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Pamela Kumar	Chairperson	Independent Director
Piyush Prakashchandra Somani	Member	Managing Director and Chairman
T.G. Dhandapani	Member	Independent Director
Ramesh Kumar Amudalapalli	Member	Independent Director

The scope and function of the RM committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) To formulate a detailed risk management policy which shall include:
  - i. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - ii. measures for risk mitigation including systems and processes for internal control of identified risks;
  - iii. Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity and recommend for any amendment or modification as necessary;
- (e) To keep the board of directors informed about the nature and content of its discussions recommendations and actions to be taken;
- (f) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (g) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (h) Review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;

- (i) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and
- (j) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

### Management organization chart



### Key Managerial Personnel

In addition to Piyush Prakashchandra Somani, our Managing Director and Chairman and Komal Somani, the Whole Time Director of our Board and Chief Marketing Officer whose details are provided in “*Our Management - Brief profiles of our Directors*” on page 166, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

**Sandeepkumar Mehta** is the Chief Financial Officer of our Company. He joined our Company on April 6, 2020. He holds a master’s degree in business administration (finance) from Newport University, California, USA. He is also a qualified chartered accountant from the Institute of Chartered Accountants of India. He has experience of more than two decades in the field of finance. Prior to joining our Company, he was associated with Sterlite Power Transmission Limited as the senior vice president – finance, executive director and chief financial officer – convergence and MTCIL and Reliance Communications Limited as the Executive Senior Vice President - Finance. In Fiscal 2021, he received ₹9.82 million from our Company.

**Aniket Khandelwal** is the Company Secretary and Compliance Officer of our Company. He joined our Company on September 18, 2017. He holds a bachelor’s degree in commerce and a bachelor’s degree in law from Savitribai Phule Pune University. He has over 7 years of experience in the field of compliance and secretarial functions. Prior to joining our Company, he was associated with Taparia Tools Limited as the secretarial officer (assistant company secretary). In Fiscal 2021, he received ₹ 0.50 million from our Company.

**Advait Aundhkar** is the is the Chief Strategy Officer of our Company. He joined our Company on April 5, 2021. He has passed his master’s degree examination in geography from the University of Bombay and has completed the Senior Management Programme by the Indian Institute of Management, Calcutta. He has experience in the field of strategy. Prior to joining our Company, he was associated with KPMG India Services LLP as a Technical Director and has been associated with companies such as Rolta India Limited and Reliance Industries Limited. He was appointed in Fiscal 2022 and accordingly, no remuneration was paid by our Company to him in Fiscal 2021.

**Rajeev Papneja** is the Chief Growth Officer of our Company. He joined our Company on March 22, 2011. He holds a master’s degree in Computer Science from the University of Pune and a PhD in Business Administration from Frederick Taylor International University. He has experience in the fields of technology. He has also worked at companies such as Pfizer, Inc. He has won several awards and recognitions such as the GEM of India

award, Bharat Gaurav Award, Bharat Ratna Dr. A.P.J Abdul Kalam Excellence Award, and was recognised as one of the Eminent 100 CIO's of India at the 18<sup>th</sup> Infotech Forum 2020. In Fiscal 2021, he received ₹4.62 million from our Company.

**Darryl Cox** is the CEO-International Markets - (Dubai location) of our Company. He joined our Company on August 16, 2021. He holds a master's degree in business administration from the University of Northampton. He has experience in the field of strategic alliances. Prior to joining our Company, he was associated with Infor Dubai as an alliance director. He was appointed in Fiscal 2022 and accordingly, no remuneration was paid by our Company to him in Fiscal 2021.

**Chandra Mauli Dwivedi** is the Chief Human Resource Officer of our Company. He joined our Company on June 25, 2019. He holds a bachelor's degree and master's degree in arts from Awadh University. He has 10 years of experience in the field of human resources and has been a president of the HR Infotech Association. Prior to joining our Company, he was associated with Sopariwala Exports Private Limited as a Group Chief Human Resource Officer, and as the President & Global Head – HR & CSR of Datamatics Global Services Limited. He has won several awards and recognitions such as the JRD Tata Award for HR Leadership, has been featured as one of India's Greatest HR Professionals by ITM Business School and has been ranked among the top 30 Most Talented Global HR Leaders in Asia by the World HRD Congress. He has been a keynote speaker and panellist in national conferences such as those held at the School of Management Sciences, Lucknow and international conferences such as the 29<sup>th</sup> World HRD Congress. In Fiscal 2021, he received ₹4.64 million from our Company.

**Rushikesh Jadhav**, is the Chief Technology Officer of our Company. He joined our Company on October 12, 2009. He has passed the bachelor's degree examination in engineering from the University of Pune. He has over 11 years of experience in the field of technology. In Fiscal 2021, he received ₹0.19 million from our Company.

**Sameer Redij** is the Chief Revenue Officer of our Company. He joined our Company on August 4, 2021. He holds a bachelor's degree in engineering from the University of Mumbai and a post-graduate diploma in business management from the Indian Business Academy. He has over 10 years of experience in the field of IT and systems. Prior to joining our Company, he was associated with companies such as Twenty Twenty Media Private Limited, CtrlS Datacenters Limited, Gartner India Research & Advisory Services Private Limited, HCL Infinet Limited and IBM India Private Limited. He was appointed in Fiscal 2022 and accordingly, no remuneration was paid by our Company to him in Fiscal 2021.

**Ashok Pomnar**, is the Chief Technologist of our Company. He joined our Company on November 17, 2005. He holds a bachelor's degree in engineering from the University of Pune. He has over 15 years of experience in the field of technology. In Fiscal 2021, he received ₹ 2.33 million from our Company.

**Kishore Shah** is the Head – Spochub of our Company. He joined our Company on June 4, 2019. He holds a master's degree in commerce from the University of Mumbai, an advanced diploma in business administration and a post-graduate diploma in human resource management from the Welinkar Institute of Management Development and Research. He has over 8 years of experience in the field of human resources. Prior to joining our Company, he was associated with companies such as Wise Apps Private Limited, Hutchison Essar Limited, Loop Mobile (India) Limited, BPL Mobile Communications Limited and ACG Pam Pharma Technologies Private Limited. In Fiscal 2021, he received ₹3.50 million from our Company.

**Dr. Uday Wad** is the Chief Research and Development Officer of our Company. He joined our Company on December 21, 2020. He holds a master's degree in science from the University of Pune and a post-graduate diploma in advanced computing from the Advanced Computing Training School, Pune and Advanced Centre for Computing Technology, Nashik. He has completed several certificate courses such as the course on Parallel Processing by the Advanced Computing Training School, in Machine Learning by NPTEL Online Certification, 'RPA Citizen Developer Foundation' by UiPath, and 'DP-100: A-Z Machine Learning using Azure Machine Learning' and the Python for Data Science and Machine Learning bootcamp by Udeemy. He has also been awarded the 'Leadership in Execution' award by the Datamatics Group. He has experience in the field of technology. Prior to joining our Company, he was associated with Datamatics Global Services Limited. In Fiscal 2021, he received ₹ 0.95 million from our Company.

**Col. Deepak Anand** is the Director – Technology of our Company. He joined our Company on August 1, 2019. He holds a bachelor's degree in science and a bachelor's degree in technology from Jawaharlal Nehru University

and a post graduate diploma in international business from the Indian Institute of Foreign Trade. He has 28 years of experience with the army. In Fiscal 2021, he received ₹4.52 million from our Company.

Except Darryl Cox, who is an employee of ESDS Cloud FZ LLC, all our Key Managerial Personnel are permanent employees of our Company.

#### **Retirement and termination benefits**

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

#### **Family relationships of Directors with Key Managerial Personnel**

Except Komal Somani who is the spouse of Piyush Prakashchandra Somani and Rushikesh Jadhav who is the brother-in-law of Piyush Prakashchandra Somani and Komal Somani, none of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel

#### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

#### **Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel (other than our Directors) hold any Equity Shares as on date of this Draft Red Herring Prospectus. For details of the shareholding of our Directors, see “-Shareholding of Directors in our Company” on page 169.

#### **Service Contracts with Key Managerial Personnel**

Our Key Managerial Personnel have not entered into any service contracts with our Company.

#### **Contingent and deferred compensation payable to Key Managerial Personnel**

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel**

Our Company does not have a performance linked bonus or profit sharing plan for our Executive Directors and our Executive Directors have not received any compensation in Fiscal 2021 pursuant to any bonus or profit sharing plan.

With respect to our Key Managerial Personnel (other than Executive Directors), except for performance based discretionary incentives paid in accordance with their respective terms of appointment and any payments required under applicable law, none of our Key Managerial Personnel are a party to any bonus or profit-sharing plan or have received any compensation in Fiscal 2021 pursuant to any bonus or profit sharing plan.

#### **Interest of Key Managerial Personnel**

For details of the interest of our Managing Director and Chairman and our Whole Time Director in our Company, see “Our Management-Interest of Directors” on page 169.

Our Key Managerial Personnel (other than our Executive Directors) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of their service interest of receiving dividends on the Equity Shares held by them, if any, and to the extent of employee stock options that have been and/or may be granted to them from time to time under the ESDS Employee Stock Ownership Plan 2021 and any other employee stock option schemes formulated by the Company from time to time.

**Changes in the Key Managerial Personnel in last three years:**

The changes in our Key Managerial Personnel in the three years preceding the date of this Draft Red Herring Prospectus is as mentioned below:

<b>Name</b>	<b>Designation</b>	<b>Date of Change</b>	<b>Reason</b>
Kishore Shah	Head – SPOCHUB	June 4, 2019	Appointment
Ravi Ajmera	Chief Financial Officer	June 25, 2019	Appointment
Chandra Mauli Dwivedi	Chief Human Resource Officer	June 25, 2019	Appointment
Col. Deepak Anand	Director – Technology	August 1, 2019	Appointment
Ravi Ajmera	Chief Financial Officer	September 25, 2019	Resignation due to personal reasons
Sandeepkumar Mehta	Chief Financial Officer	April 6, 2020	Appointment
Kantilal Tekne	Company Secretary	December 15, 2020	Resignation due to personal reasons
Advait Aundhkar	Chief Strategy Officer	April 5, 2021	Appointment
Dr. Uday Wad	Chief Research and Development Officer	December 21, 2020	Appointment
Sameer Redij	Chief Revenue Officer	August 4, 2021	Appointment
Aniket Khandelwal	Company Secretary and Compliance Officer	August 7, 2021	Appointment

**Payment or Benefit to officers of our Company (non-salary related)**

Except as disclosed above under “– *Interest of Directors*” and in “*Restated Consolidated Financial Statements – 33. Related Party Transactions*” on pages 169 and 243 and remuneration paid to Key Managerial Personnel in the ordinary course of business, no amount or benefit has been paid or given within the two preceding years from the date of this Draft Red Herring Prospectus or intended to be paid or given to any officer of our Company, including our Directors and Key Managerial Personnel.

**Employee Stock Option**

For details of the ESOP Plan, see “*Capital Structure –ESOP Plan*” on page 80.



## OUR PROMOTER AND PROMOTER GROUP


### Promoter

Piyush Prakashchandra Somani is the Promoter of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoter holds 24,800,000 Equity Shares, representing 47.49% (29.32% on a fully diluted basis) of the issued, subscribed, and paid-up Equity Share capital of our Company. For details, please see the section titled “Capital Structure - Details of Shareholding of our Promoter and members of the *Promoter Group in the Company - Build-up of the Promoter’s shareholding in our Company*” beginning on page 82.

**Details of our Promoter are as follows:**

### Piyush Prakashchandra Somani

	<p><b>Piyush Prakashchandra Somani</b>, aged 42 years, is our Promoter, and is also the Managing Director and Chairman of our Company.</p> <p><b>Date of Birth:</b> June 9, 1979</p> <p><b>Address:</b> Flat No. 1004, B-Wing, Karabi Samraat Tropicano, Serene Meadows, Anandwalli, Nashik 422 007, Maharashtra, India</p> <p><b>Permanent Account Number:</b> AVQPS7405L <b>Aadhaar Card Number:</b> 5841 1558 7694 <b>Driving License:</b> MH15 19960015021</p> <p>For the complete profile of Piyush Prakashchandra Somani, along with details of his educational qualifications, professional experience, position/posts held in the past and directorships held, see “<i>Our Management – Board of Directors</i>” on page 164.</p>
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Our Company confirms that the permanent account number, bank account number(s) and passport number of Piyush Prakashchandra Somani shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

### Change in control of our Company

Pursuant to our Board resolution dated June 4, 2021, the Board of our Company has taken on record that Piyush Prakashchandra Somani is the promoter of the Company in terms of the Companies Act and the SEBI ICDR Regulations. There has been no change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

### Other ventures of our Promoter

Other than as disclosed below and at “*Our Management - Board of Directors*” on page 164, our Promoter is not involved in any other ventures:

Name of venture	Nature of interest of Promoter
Hyperslice Limited	Shareholder
Bod Host Limited	
Eukhost Limited	Shareholder of Hyperslice Limited (the holding company of such ventures)
Web Hosting UK Com Limited	

### Interests of Promoter

Our Promoter is interested in our Company to the extent that he has promoted our Company and to the extent of

his shareholding in our Company and the dividend payable and any other distributions in respect of his shareholding in our Company. For further details, see “*Capital Structure - Details of Shareholding of our Promoter and members of the Promoter Group in the Company - Build-up of the Promoter’s shareholding in our Company*” beginning on page 82. Additionally, our Promoter may be interested in transactions entered into by our Company with other entities (i) in which our Promoter hold shares, or (ii) controlled by our Promoter.

Further, the Promoter of our Company is also interested in our Company as the Managing Director and Chairman of our Company and may be deemed to be interested in the remuneration payable to him and the reimbursement of expenses incurred by him in his capacity as a Director. For further details, see “*Our Management*” beginning on page 164.

No sum has been paid or agreed to be paid to our Promoter or to any firm or company in which our Promoter is interested, in cash or shares or otherwise by any person, either to induce him to become or to qualify him, as a director or promoter or otherwise for services rendered by the Promoter, or by such firm or company, in connection with the promotion or formation of our Company.

**Interest in property, land, construction of building and supply of machinery**

Our Promoter does not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

**Payment or Benefits to Promoter or Promoter Group**

Except as disclosed herein and as stated in “*Restated Consolidated Financial Statements – 33. Related Party Transactions*” at page 243, there has been no payment or benefits by our Company to our Promoter or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

**Companies or firms with which our Promoter has disassociated in the last three years**

Our Promoter has not disassociated himself from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus.

**Material Guarantees**

As on the date of this Draft Red Herring Prospectus, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares, Preference Shares or CCDs.

**Promoter Group**

In addition to our Promoter, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

*Natural persons who are part of the Promoter Group*

The natural persons who are part of the Promoter Group, other than our Promoter, are as follows:

<b>S. No.</b>	<b>Name of member of our Promoter Group</b>	<b>Relationship with our Promoter</b>
1.	Sarla Prakashchandra Somani	Mother
2.	Komal Somani	Spouse
3.	Pooja Somani	Sister
4.	Prajakta Somani	Sister
5.	Piyansh Somani	Son
6.	Prajit Somani	Son

<b>S. No.</b>	<b>Name of member of our Promoter Group</b>	<b>Relationship with our Promoter</b>
7.	Shrikant Zanwar	Spouse's father
8.	Prabha Zanwar	Spouse's mother
9.	Sankalp Zanwar	Spouse's brother

*Entities forming part of the Promoter Group*

The companies, bodies corporate, firm and trust forming part of our Promoter Group are as follows:

1. Bod Host Limited;
2. Eukhost Limited;
3. Great Ideas in Action LLP;
4. Hyperslice Limited;
5. P.O Somani Family Trust;
6. Resvera Wines Private Limited;
7. Sankalp Constructions; and
8. Web Hosting UK Com Limited.

## **GROUP COMPANIES**

As per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered companies (other than our Subsidiaries) with which our Company has entered into (i) related party transactions during the period for which the Restated Consolidated Financial Statements has been included in this Draft Red Herring Prospectus, i.e., Fiscals 2021, 2020 and 2019, as covered under the applicable accounting standards, and (ii) such other companies as considered material by the Board, in accordance with the Materiality Policy.

For the purposes of (ii) above, in terms of the Materiality Policy, a company (other than our Subsidiaries) shall be considered material and disclosed as a group company if:

- a) our Company and/or our Promoter holds 10% or more of the equity share capital of such company; and
- b) our Company has entered into one or more transactions with such company during the last completed fiscal year or the most recent period (if applicable) of the Restated Consolidated Financial Statements, which individually or cumulatively in value exceeds 5% of the total consolidated total income of our Company for the last Fiscal as per the Restated Consolidated Financial Statements.

Based on the above, our Company does not have any group company as on the date of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company has adopted a dividend distribution policy (“**Dividend Policy**”) pursuant to a resolution of the Board dated August 26, 2021. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act.

In accordance with the Dividend Policy, the Board shall, *inter alia*, consider the following financial, internal and external parameters before declaring dividend: (i) current year profits, existing reserves and future projections of profitability; (ii) interim dividend paid; (iii) operating cash flow; (iv) provision for depreciation in accordance with applicable law; (v) funds required towards working capital, servicing of outstanding loans and capital expenditure; (vi) funds required for merger/acquisitions and towards execution of the Company’s strategy; (vii) investments in subsidiary/associates; (viii) minimum cash required for contingencies or unforeseen events; (ix) maintaining of required liquidity and return ratios; (x) state of the domestic and global economy, capital market conditions and dividend policy of competitors; (xi) any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model; (xii) restrictions and covenants contained in any agreement as may be entered with the lenders; (xiii) competition or client related risks; (xiv) legislations impacting business or tax; (xv) shareholder expectations; and/or (xvi) any other significant risk or external matter.

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 dividend in the foreseeable future. The dividend, if any, will depend on a number of factors, including but not limited to our Company’s profits, capital requirements, overall financial condition, contractual restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, see “*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*” on page 46.

Our Company has not paid any dividend in relation to the Equity Shares, the CCPS and/or the Convertible Securities during Fiscals 2021, 2020 and 2019 and from April 1, 2021 till the date of this Draft Red Herring Prospectus.

**SECTION VII – FINANCIAL INFORMATION**  
**RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

*[The remainder of this page has intentionally been left blank]*

## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors  
ESDS Software Solution Limited (formerly known as ESDS Software Solution Private Limited)  
B - 24 and B - 25, Nice Area  
M.I.D.C, Satpur  
Nashik 422 007  
Maharashtra, India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of ESDS Software Solution Limited (Formerly ESDS Software Solution Private Limited) (the "Holding Company for issuer"), and its subsidiary (the Company and its subsidiary collectively referred to as the "Group") which comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 March, 2021, 31 March 2020, 31 March 2019, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of changes in equity and the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2021, 31 March 2020, 31 March 2019, and the Summary statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company ("the Board") at their meeting held on 7<sup>th</sup> August 2021, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("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 (the "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 are responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Maharashtra at Mumbai in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Note 1.2 & 2.1 to the Restated Consolidated Financial Information.

The responsibility of the respective board of directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined this Restated Consolidated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 26<sup>th</sup> July,2021 and addendum to engagement letter dated 26<sup>th</sup> July,2021 in connection with the proposed IPO of equity shares of the Company;

b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated 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.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a) As at and for the years ended 31 March 2021 and 31 March 2020: From the audited Ind AS consolidated financial statements of the Group as at and for the year ended 31 March 2021, and 31 March 2020 being the comparative period for the year ended 31 March 2021, prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 7<sup>th</sup> August ,2021. The audited consolidated financial statements of the Group as at and for the year ended 31 March 2020, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 ('Previous GAAP'), and the other relevant provisions of the Act, had been approved by the Board of Directors at their meeting held on 30<sup>th</sup> December,2020 . The corresponding financial information for the year ended 31 March 2020 and the Balance Sheet as at 1 April 2019 ('transition date') has been restated in accordance with Ind AS in the consolidated financial statements for the year ended 31 March 2021 and the same has been considered while compiling this Restated Consolidated Financial Information; and

b) As at and for the year ended 31 March 2019: From the audited consolidated financial statements of the Group as at and for the year 31 March 2019, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their Board meeting held on 30<sup>th</sup> September,2019 and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on transition date. The Restated Financial Information as at and for the year ended 31 March 2019 is referred to as "the Proforma Ind AS Restated Financial Information" as per the Guidance Note.

5. For the purpose of our examination, we have relied on:

a) Auditors' reports issued by us dated 12<sup>th</sup> August,2021 on the consolidated financial statements of the Group as at and for the year ended 31 March 2021 as referred in Paragraph 4 above; and

b) Auditors' reports issued by us, dated 30<sup>th</sup> December, 2020 and 30<sup>th</sup> September, 2019 on the consolidated financial statements of the Group as at and for the years ended 31 March 2020 and 31 March 2019 respectively as referred in Paragraph 4 above. The Ind AS and restatement adjustments made to such financial statements to comply with Ind AS and the basis set out in Note 1.2 and 2.1 to the Restated Consolidated Financial Information have been audited by us.



6. As indicated in our audit report referred above, we did not audit the financial statements of four subsidiaries (as mentioned in Annexure A) included in the Group for the year ended 31 March 2021 whose share of total assets, total revenues, net cash inflows / (outflows) included in the consolidated financial statements, for the relevant year is tabulated below:

(INR millions)	
Particulars	As at and for the year ended 31 March 2021
Total assets	513.48
Total revenue	26.15
Net cash inflows / (outflows)	0.70

These financial statements have been audited by other auditor (as mentioned in Annexure A) and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the four subsidiaries, is based solely on the report of the other auditor. Our opinion on the consolidated financial statements is not modified in respect of this matter.

7. The Auditors' reports issued by us on the consolidated financial statements of the Group as at and for the years ended 31 March 2020 and 31 March 2019 respectively included following other matter:

a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of INR 62.29 million as at 31 March 2020, total revenues of 36.24 million and net cash outflows amounting to INR (5.29) million for the year ended on that date, as considered in the consolidated financial statements whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of INR 192.75 million as at 31 March 2019, total revenues of 24.16 million and net cash outflows amounting to INR 9.38 million for the year ended on that date, as considered in the consolidated financial statements whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor. Our opinion on the consolidated financial statements is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports/auditors' reports issued by the other auditors, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 31 March 2021;

b) have been prepared after incorporating proforma Ind AS adjustments for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 31 March 2021;

c) does not contain any qualification requiring adjustments ; and

d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 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 or the other auditors, 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 DRHP to be filed with Securities and Exchange Board of India, the Registrar of Companies Maharashtra at Mumbai, and BSE Limited and National Stock Exchange of India Limited, as applicable, 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.

**For Shah Khandelwal Jain & Associates**

Chartered Accountants

ICAI Firm Registration No. 142740W

**Ashish Khandelwal**

Partner

Membership No.: 049278

Place: Pune

Date : 12<sup>th</sup> August, 2021

UDIN: 21049278AAAAJY9003

## Annexure 'A'

Details of subsidiaries audited by other auditors for the respective years:

Sr.No.	Name of the Entity	Nature of relation	Auditor	Audit Period
1	ESDS Internet Services Private Limited, India	Subsidiary	S.S Dhoot and Co.	FY 18-19 , 19-20 and 20-21
2	ESDS Global Software Solution Inc, USA	Wholly owned Subsidiary	NA*	NA*
3	ESDS Cloud FZ LLC, UAE	Wholly owned Subsidiary	Silver Oak Auditing & Accounting	1 January 2020 to 31 December 2020
4	Spoohub Solutions Private limited, India	Wholly owned Subsidiary	NA**	NA**

\*Audit is not applicable to the wholly owned subsidiary as the subsidiary is situated in the United States of America.

\*\*Audit not applicable to the wholly owned subsidiary as the subsidiary is newly incorporated and is not required to prepare its financial statements as per section 2(41) of the Companies Act, 2013.

Particulars	Notes	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,070.30	1,832.67	947.10
Right-of-use of assets	4	995.01	634.41	558.21
Capital work-in-progress	5	3.70	394.65	43.21
Intangible assets	6	42.07	22.15	29.64
Intangible assets under development	6(a)	46.94	-	-
Non-current financial assets	7.a	230.47	193.45	102.86
Other non-current assets	8	-	14.72	105.91
<b>Total non-current assets</b>		<b>3,388.49</b>	<b>3,092.05</b>	<b>1,786.93</b>
<b>Current assets</b>				
Current financial assets				
Trade receivables	9	466.24	460.88	500.01
Cash and cash equivalents	10	143.81	6.42	86.24
Other bank balances	11	8.16	0.15	12.09
Other current financial assets	7.b	350.58	186.84	306.77
Income-tax assets	12	63.79	134.72	79.63
Other current assets	13	183.30	234.90	75.42
<b>Total current assets</b>		<b>1,215.88</b>	<b>1,023.90</b>	<b>1,060.16</b>
<b>Total assets</b>		<b>4,604.37</b>	<b>4,115.96</b>	<b>2,847.09</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	52.22	52.22	52.22
<b>Other equity</b>				
Equity component of compound financial instrument	15	1,239.84	940.57	530.57
Reserves and surplus	15	513.20	458.16	456.12
Other reserves	15	65.53	63.93	-
<b>Equity attributable to owners of ESDS Software Solution Limited</b>		<b>1,870.79</b>	<b>1,514.89</b>	<b>1,038.91</b>
Non-controlling interest	41	(4.74)	(5.90)	(8.19)
<b>Total equity</b>		<b>1,866.05</b>	<b>1,508.99</b>	<b>1,030.72</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Non current financial liabilities				
Non-current borrowings	16.a	439.55	265.96	247.83
Lease liabilities	4	578.94	571.07	515.74
Other non-current financial liabilities	17.a	-	290.41	-
Employee benefit obligations	18	72.56	47.28	24.22
Deferred tax liabilities (net)	23	32.68	19.23	13.39
<b>Total non-current liabilities</b>		<b>1,123.73</b>	<b>1,193.95</b>	<b>801.18</b>
<b>Current liabilities</b>				
Current financial liabilities				
Current borrowings	16.b	101.86	150.70	116.47
Lease liabilities	4	455.06	80.86	36.83
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	19	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	247.55	322.76	231.91
Other current financial liabilities	17.b	684.10	761.83	506.21
Employee benefit obligations	18	4.10	2.63	1.08
Income-tax liabilities	20	0.38	1.00	1.80
Other current liabilities	21	121.54	93.24	120.90
<b>Total current liabilities</b>		<b>1,614.58</b>	<b>1,413.02</b>	<b>1,015.19</b>
<b>Total liabilities</b>		<b>2,738.32</b>	<b>2,606.98</b>	<b>1,816.37</b>
<b>Total equity and liabilities</b>		<b>4,604.37</b>	<b>4,115.96</b>	<b>2,847.09</b>

The above restated financial statements should be read in conjunction with the accompanying significant notes.

In terms of our report of even date

**For Shah Khandelwal Jain & Associates**  
ICAI Firm Registration Number: 142740W  
Chartered Accountants

**Ashish Khandelwal**  
Partner

Membership No.: 049278  
Place : Pune  
Date : August 12, 2021

**For and on behalf of the Board of Directors**  
**ESDS Software Solution Limited**  
(formerly known as ESDS Software Solution Private Limited)  
CIN : U72200MH2005PLC155433

**Piyush Somani**      **Komal Somani**      **Sandeep Mehta**  
Chairman and Managing Director      Whole Time Director      Chief Financial Officer

DIN :02357582      DIN: 08477154  
Place: Nashik      Place: Nashik      Place: Nashik  
Date : August 12, 2021      Date : August 12, 2021      Date : August 12, 2021

**ESDS Software Solution Limited (formerly known as ESDS Software Solution Private Limited)**  
**Restated Consolidated Statement of Profit and Loss**  
*(All amounts are in Rupees Millions, unless otherwise stated)*

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Revenue from operations	24	1,719.27	1,585.73	1,355.77
Other income	25	21.74	19.61	19.64
<b>Total income</b>		<b>1,741.01</b>	<b>1,605.34</b>	<b>1,375.41</b>
<b>Expenses</b>				
Purchases of products	26	-	42.37	3.26
Employee benefit expense	27	590.30	483.17	274.79
Finance costs	28	176.47	113.17	118.40
Depreciation and amortisation expense	29	373.93	369.30	173.04
Other expenses	30	512.65	562.57	625.89
<b>Total expenses</b>		<b>1,653.35</b>	<b>1,570.58</b>	<b>1,195.38</b>
<b>Profit before tax</b>		<b>87.66</b>	<b>34.76</b>	<b>180.03</b>
<b>Income tax expense</b>				
Current tax (MAT)	22	19.28	29.53	68.32
Less: MAT credit entitlement	22	(19.28)	(22.11)	-
Deferred tax	22	32.81	17.99	(26.41)
<b>Total tax expense</b>		<b>32.81</b>	<b>25.41</b>	<b>41.90</b>
<b>Profit for the year [A]</b>		<b>54.85</b>	<b>9.35</b>	<b>138.12</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Changes in the fair value of equity instruments at FVOCI		-	-	-
Remeasurement of post-employment benefit obligations		0.18	(3.90)	0.01
Income tax relating to these items		0.05	(1.09)	0.00
		<b>0.23</b>	<b>(4.99)</b>	<b>0.01</b>
<b>Total other comprehensive income for the year, net of tax [B]</b>		<b>0.23</b>	<b>(4.99)</b>	<b>0.01</b>
<b>Total comprehensive income [A+B]</b>		<b>55.08</b>	<b>4.36</b>	<b>138.13</b>
<b>Profit is attributable to:</b>				
Owners of ESDS Software Solution Limited		53.69	7.07	130.15
Non-controlling interest		1.16	2.28	7.97
		<b>54.85</b>	<b>9.35</b>	<b>138.12</b>
<b>Other comprehensive income is attributable to:</b>				
Owners of ESDS Software Solution Limited		0.23	(4.99)	0.01
Non-controlling interest		-	-	-
		<b>0.23</b>	<b>(4.99)</b>	<b>0.01</b>
<b>Total comprehensive income is attributable to:</b>				
Owners of ESDS Software Solution Limited		<b>53.92</b>	<b>2.08</b>	<b>130.16</b>
Non-controlling interest		<b>1.16</b>	<b>2.28</b>	<b>7.97</b>
		<b>55.08</b>	<b>4.36</b>	<b>138.13</b>
<b>Earnings per equity share for profit attributable to owners of ESDS Software Solution Limited</b>	31			
Basic (Face Value of equity share : INR 1 per share) [refer note 40]		1.03	0.04	2.49
Diluted (INR per share)		0.96	0.04	2.39

The above restated financial statements of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Shah Khandelwal Jain & Associates**

Firm Registration Number: 142740W

Chartered Accountants

**For and on behalf of the Board of Directors**

**ESDS Software Solution Limited**

**(formerly known as ESDS Software Solution Private Limited)**

CIN : U72200MH2005PLC155433

**Ashish Khandelwal**  
Partner

Membership No.: 049278

Place : Pune

Date : August 12, 2021

**Piyush Somani**

Chairman and Managing  
Director

DIN :02357582

Place: Nashik

Date : August 12, 2021

**Komal Somani**

Whole Time Director

DIN: 08477154

Place: Nashik

Date : August 12, 2021

**Sandeep Mehta**

Chief Financial Officer

Place: Nashik

Date : August 12, 2021

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**

**Restated Consolidated Statement of Cash Flows**

(All amounts are in Rupees Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>A) Cash flows from operating activities</b>			
Profit before tax	87.66	34.76	180.03
<b>Adjustments for</b>			
Depreciation and amortisation expense	373.93	369.30	173.04
(Gain)/loss on disposal of property, plant and equipment	2.34	-	3.40
Loss allowance	46.48	12.84	72.84
Interest income classified as investing activities	(20.73)	(13.85)	(4.00)
Finance costs	176.47	113.17	118.40
Unrealised exchange (gain)/loss	6.25	(1.56)	3.46
<b>Operating profit before working capital changes</b>	<b>672.41</b>	<b>514.66</b>	<b>547.16</b>
<b>Changes in working capital</b>			
(Increase) / decrease in trade receivables	(58.09)	27.86	(341.58)
(Increase) / decrease in other current and non current financial assets	(181.01)	110.11	(39.74)
(Increase) / decrease in other current assets	54.19	(161.80)	(72.05)
Increase / (decrease) in trade payables	(75.21)	90.85	168.86
Increase / (decrease) in provisions	26.93	20.70	5.20
Increase/ (decrease) in other current liabilities	29.85	(24.32)	3.04
Increase/ (decrease) in other current financial liabilities	(27.84)	39.42	79.77
<b>Cash generated from operations</b>	<b>441.23</b>	<b>617.48</b>	<b>350.66</b>
Income taxes paid (net of refunds received)	50.99	(88.78)	(93.59)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>492.22</b>	<b>528.70</b>	<b>257.07</b>
<b>B) Cash flows from investing activities</b>			
Payments for property, plant and equipment and intangible assets	(691.20)	(779.11)	(472.07)
Proceeds from sale of property, plant and equipment	131.92	-	0.05
Bank balances not considered as cash and cash equivalents	(31.21)	(74.62)	(40.30)
Interest/ income on investment received	18.05	15.46	1.74
<b>Net cash flows from investing activities</b>	<b>(572.44)</b>	<b>(838.28)</b>	<b>(510.58)</b>
<b>C) Cash flows from financing activities</b>			
Equity component of compound financial instrument	299.27	410.00	530.57
Redemption of optionally convertible preference shares	-	-	(238.73)
Increase/ (decrease) of non-current borrowings	173.58	18.11	55.41
Increase/ (decrease) of current borrowings	24.78	(28.57)	60.07
Principal elements of lease payments	(189.34)	(111.25)	(64.35)
Interest paid on borrowings	(90.80)	(58.40)	(64.79)
<b>Net cash inflows/ (outflow) from financing activities</b>	<b>217.49</b>	<b>229.89</b>	<b>278.18</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>137.28</b>	<b>(79.69)</b>	<b>24.67</b>
<b>Foreign currency translation impact on cash and cash equivalents</b>	<b>0.12</b>	<b>(0.14)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the financial year	6.42	86.24	61.57
<b>Cash and cash equivalents at the end of the financial year</b>	<b>143.81</b>	<b>6.42</b>	<b>86.24</b>

Reconciliation of cash and cash equivalents as per the cash flow statement:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019 Proforma
Cash and cash equivalents (Note 10)	143.81	6.42	86.24
<b>Balances as per statement of cash flows</b>	<b>143.81</b>	<b>6.42</b>	<b>86.24</b>

The above restated financial statements of cash flow should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Shah Khandelwal Jain & Associates**  
ICAI Firm Registration Number: 142740W  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**ESDS Software Solution Limited**  
**(formerly known as ESDS Software Solution Private Limited)**  
CIN : U72200MH2005PLC155433

**Ashish Khandelwal**  
Partner  
  
Membership No.: 049278  
Place : Pune  
Date : August 12, 2021

<b>Piyush Somani</b> Chairman and Managing Director DIN :02357582 Place: Nashik Date : August 12, 2021	<b>Komal Somani</b> Whole Time Director DIN: 08477154 Place: Nashik Date : August 12, 2021	<b>Sandeep Mehta</b> Chief Financial Officer Place: Nashik Date : August 12, 2021
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**ESDS Software Solution Limited (formerly known as ESDS Software Solution Private Limited)**  
**Restated Consolidated Statement of Changes in Equity**  
*(All amounts are in Rupees millions, unless otherwise stated)*

**A. Equity share capital**

Equity shares of Rs.10 each issued, subscribed and fully paid up\*\*

Particulars	Note	Total
<b>As at April 1, 2018</b>		<b>52.22</b>
Change in equity share capital		-
<b>As at March 31, 2019</b>		<b>52.22</b>
Change in equity share capital	15	-
<b>As at March 31, 2020</b>		<b>52.22</b>
Change in equity share capital		-
<b>As at March 31, 2021</b>		<b>52.22</b>

\*\*Subsequent to year end, the holding company has approved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each (refer note 40)

**B. Other equity**

Particulars	Attributable to owners of ESDS Software Solution Limited						Non-controlling interest	Total other equity
	Equity component of compound financial instrument	Reserves and surplus			Other reserves			
		Securities premium account	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	Revaluation reserve		
<b>As at April 1, 2018 (Proforma)</b>	-	6.85	-	317.58	-	-	(16.16)	<b>308.27</b>
Profit for the year				130.15				130.15
Transfer to capital redemption reserve				(3.58)				(3.58)
Other comprehensive income				0.01				0.01
Proposed dividend on preferences shares				(11.94)				(11.94)
<b>Total</b>	-	-	-	<b>114.64</b>	-	-		<b>114.64</b>
Transaction with owners in their capacity as owners:								
Issue of shares		-						-
Transfer to capital reserve			3.58					3.58
Dividends distribution tax				(2.45)				(2.45)
Transfer to NCI				7.97			7.97	15.94
Equity component of compound financial instruments	530.57							530.57
<b>Total</b>	530.57	-	3.58	5.52	-	-	7.97	547.64
<b>As at March 31, 2019 (Proforma)</b>	<b>530.57</b>	<b>6.85</b>	<b>3.58</b>	<b>445.69</b>	<b>-</b>	<b>-</b>	<b>(8.19)</b>	<b>978.50</b>
Profit for the year		-	-	7.07			2.28	9.36
Currency translation adjustments for subsidiaries					(2.47)			(2.47)
Adjustment on account of fair valuation of land and building as on March 31,2020						75.54		75.54
Other comprehensive income		-	-	(4.99)				(4.99)
Deferred tax impact on above adjustment						(9.14)		(9.14)
Equity component of compound financial instruments issued during the year	410.00							410.00
<b>Total</b>	410.00	-	-	2.08	-	-	(5.91)	478.29
Transaction with owners in their capacity as owners:								
Dividends Paid				(0.04)				(0.04)
<b>As at March 31, 2020</b>	<b>940.57</b>	<b>6.85</b>	<b>3.58</b>	<b>447.74</b>	<b>(2.47)</b>	<b>66.40</b>	<b>(5.91)</b>	<b>1,456.76</b>
Profit for the year		-	-	53.69			1.16	54.85
Currency translation adjustments for subsidiaries					2.72			2.72
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings				1.13		(1.12)		0.01
Other comprehensive income		-	-	0.23				0.23
Equity component of compound financial instruments	299.27							299.27
<b>Total</b>	299.27	-	-	55.04	2.72	(1.12)	1.16	357.08
<b>As at March 31, 2021</b>	<b>1239.84</b>	<b>6.85</b>	<b>3.58</b>	<b>502.80</b>	<b>0.25</b>	<b>65.28</b>	<b>(4.74)</b>	<b>1,813.84</b>

The above restated financial statements of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Shah Khandelwal Jain & Associates**  
Firm Registration Number: 142740W  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**ESDS Software Solution Limited**  
**(formerly known as ESDS Software Solution Private Limited)**  
CIN : U72200MH2005PLC155433

**Ashish Khandelwal**  
Partner  
Membership No.: 049278  
Place : Pune  
Date : August 12, 2021

**Piyush Somani**  
Chairman and Managing Director  
DIN :02357582  
Place: Nashik  
Date : August 12, 2021

**Komal Somani**  
Whole Time Director  
DIN: 08477154  
Place: Nashik  
Date : August 12, 2021

**Sandeep Mehta**  
Chief Financial Officer  
Place: Nashik  
Date : August 12, 2021

**ESDS Software Solution Limited**  
**(formerly known as ESDS Software Solution Private Limited)**  
**Notes to the Restated Consolidated Financial Information**

**1.1 Corporate information**

The Restated Consolidated Financial Statements comprise financial statements of “ESDS Software Solution Limited” (“the Holding Company” or “The Company”) and its subsidiaries (collectively referred to as “the Group”) for the year ended 31st March, 2021; 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 (Proforma). [Refer Note 41a]

The Group is primarily engaged in providing IT enabled services (web hosting services, technical support services, data centre setup and consulting services) and supply of IT enabled products closely connected with the rendering of the IT enabled services.

The Company has its registered office in Nashik and runs its business operations in three cities Nashik, Mumbai and Bengaluru.

**1.2 Statement of Compliance**

The restated consolidated financial information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, Notes to the Restated Consolidated Financial Information (collectively, the ‘Restated Consolidated Financial Information’).

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (‘DRHP’) to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering (“IPO”) of its equity shares.

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- a) Section 26 of the Companies Act, 2013 ("the Act") as amended from time to time;
- b) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the “SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”); 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”).

The Restated Consolidated Financial Information have been prepared from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31 2019 which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors of the Holding Company at their meetings held on 7th August 2021 , 30th December 2020 and 30th September 2019 respectively, on which an unmodified audit opinion was issued vide audit reports dated 12th August 2021, 30th December 2020 and 30th September 2019, respectively.



**ESDS Software Solution Limited**  
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**Notes to the Restated Consolidated Financial Information**

The Restated Consolidated Financial Information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policies on financial instruments). The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of restated consolidated financial information for the year ended March 31, 2021. This Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited consolidated financial statements mentioned above.

The Group has adopted Ind AS for the financial year ended 31 March 2021 onwards. In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is 1 April 2019. The Restated Consolidated Financial Information for the year ended 31 March 2019 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with the Guidance Note.

The Restated Consolidated Financial Information:

- a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2021.
- b) Do not require any adjustment for qualification as there are no qualifications in the underlying audit reports. All the amounts included in the Restated Consolidated Financial Information are presented in Indian Rupees ('Rupees' or 'Rs.' Or 'INR') and are rounded to the nearest millions, except per share data and unless stated otherwise.

## **2. Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these restated consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of ESDS Software Solution Limited ("the Holding Company" or "The Company") and its subsidiaries. [Refer note 41]

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has voluntarily adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Group's first Ind AS financial statements.

### **2.1 Basis of preparation**

#### **(i) Compliance with Ind AS**

The restated consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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**Notes to the Restated Consolidated Financial Information**

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration are measured at fair value;
- Assets held for sale – measured at fair value less cost to sell; and
- Defined benefit plans – plan assets measured at fair value;

The restated financial statements are presented in “INR” and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

**(iii) New and amended standards adopted by the Group**

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

**(iv) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

**An asset is current when it is:**

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is current when:**

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Group is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the group has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

## **2.2 Principles of consolidation and equity accounting**

### **i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The financial statements of the subsidiaries have been drawn up to the same reporting date as that of the parent company.

### **ii) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity [refer note 41.b]

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

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**Notes to the Restated Consolidated Financial Information**

**iii) Foreign currency translation**

**a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognized in other comprehensive income.

**c) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income.

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On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**iv) Segmented reporting:**

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The group is engaged in the business of "design, development, installation and servicing of information technology related resource which is a single business segment since these are subject to similar risk and returns. Accordingly, Information technology related resource service comprises the primary basis of segmental information as set out in these financial statements, which therefore reflects the information required by Ind AS 108 - Segment Reporting, with respect to primary segment.

Since the entire group's business is design, development, installation and servicing of information technology related resource, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortization during the year are all as reflected in the Financial Statements as at and for the year ended March 31, 2021

**v) Cash flow statement**

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Group.

**2.3 Property, plant and equipment**

**Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment (including capital work-in-progress) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Initial recognition**

All items of property, plant and equipment (including capital work-in-progress) are measured at its cost. The cost of an item of property, plant and equipment comprises:

(a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period

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**Measurement after recognition**

The Group has elected revaluation model for measurement of land and building whose fair value can be measured reliably at each reporting period.

**(a) Revaluation model for certain class of property, plant and equipment**

Land and buildings are recognized at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Increases in the carrying amounts arising on revaluation of land and buildings are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation reserve to retained earnings.

**(b) Cost model for other class of assets**

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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 group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Type of asset	Useful life w.e.f April 2021 (in years)	Useful life till March 2020 (in years)
Office building	60	60
Computers and data center equipment's	3/4/5/6/10/15	5/6
Office equipment	3/4/5/8/10/15/20	5
Furniture and fittings	10	10
Vehicles	8	8

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The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. During the current year, based on the technical evaluation done by management's expert, the useful lives of data center equipment's and computers and office equipment's have been revised as stated above.

The change in useful life is a change in estimate as per Ind AS 16 and Ind AS 8, and the impact of the same on depreciation and resultant carrying amount has been applied prospectively.

**2.4 Intangible assets (including intangible assets under development)**

**Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets (including intangibles under development) measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets

**Software:**

Intangible assets are recognized at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life so as to reflect the pattern in which the assets economic benefits are consumed.

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

**Following summarizes the nature of intangible assets and the estimated useful life:**

Asset	Useful life (in years)
Software	10 and 3

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An intangible asset is derecognized on disposal or when no future economic benefits are expected from use on disposal. Gains or losses arising from DE recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

## **2.5 Leases**

### **As a lessee**

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) who has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



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**Right-of-use assets are measured at cost comprising the following:**

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) who has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

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**2.6 Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

**2.7 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.8 Unbilled revenue**

Unbilled revenue relates to unbilled work-in-progress as on each reporting date as per terms of the contracts with customers.

**2.9 Other financial assets**

**(i) Classification**

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

**(ii) Recognition**

Regular way purchases and sales of financial assets are recognized on trade-date, being the date on which the group commits to purchase or sale the financial asset.

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**(iii) Measurement**

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on DE recognition is recognized directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as separate line item in the statement of profit and loss.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the DE recognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain / (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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**Impairment of financial assets**

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**Derecognition of financial assets**

A financial asset is derecognized only when:

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**2.10 Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Minimum Alternate Tax**

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

**2.11 Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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**2.12 Employee benefit obligations**

**Post-employment obligations:**

The group operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined contribution plans**

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

**2.13 Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the agreed credit days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**2.14 Unearned revenue**

Unearned revenue relates to billing done for services/ performance obligations which have not been performed as on the date of reporting. These billings are as per the terms of the contract with customers.

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**2.15 Revenue from contracts with Customers**

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

- (i) Identify contracts with customers
- (ii) Identify the separate performance obligation
- (iii) Determine the transaction price of the contract
- (iv) Allocate the transaction price to each of the separate performance obligations, and
- (v) Recognize the revenue as each performance obligation is satisfied.

**Revenue recognition policy**

The Group has following streams of revenue:

- (i) Revenue from sale of services
- (ii) Revenue from sale of products

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from contract with customers is recognized when the Group satisfies performance obligations by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of the return, using the expected value method.

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The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Group performs, or
- (b) The customer controls the work-in-progress, or
- (c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

**(i) Rendering of services (Turnkey revenue and Webhosting revenue)**

The Group provides hosting services, design, and implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognized in the accounting period in which the services are rendered based on usage. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual man hours spent relative to the total expected man hours. Some contracts (Especially in case of Turnkey projects) include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognized at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. If the contract includes a usage based fee, revenue is recognized in the amount to which group has right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

**(ii) Sale of products**

Revenue from the sale of goods in the course of ordinary activities is recognized when property in the goods or significant risks and rewards of their ownership are transferred to the customer and significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognized as revenue is exclusive of Goods and service tax and is net of discounts.



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**2.16 Interest income**

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortized cost and financial assets at FVOCI is calculated using the effective interest method is recognized in the statement of profit and loss as part of other income.

**2.17 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

**2.18 Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares [refer note 31]

**(ii) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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**3 Property, plant and equipment**

Particulars	Land	Leasehold land improvements	Buildings	Computers and data centre equipments	Office equipments	Furniture and fixture	Vehicles	Total
Deemed cost as on April 1, 2018 (Proforma)[refer note below]	23.35	53.74	49.19	494.10	58.43	11.26	14.81	704.89
Additions	-	0.38	-	364.56	12.09	25.55	1.55	404.13
Disposals	-	-	-	22.93	6.91	-	-	29.84
<b>Gross carrying amount as on March 31, 2019 (Proforma)</b>	<b>23.35</b>	<b>54.12</b>	<b>49.19</b>	<b>835.74</b>	<b>63.62</b>	<b>36.81</b>	<b>16.36</b>	<b>1,079.18</b>
Charge for the year	0.38	0.93	1.12	128.92	19.73	3.65	3.72	158.46
Disposals	-	-	-	19.50	6.88	-	-	26.38
<b>Closing accumulated depreciation as at March 31, 2019 (Proforma)</b>	<b>0.38</b>	<b>0.93</b>	<b>1.12</b>	<b>109.42</b>	<b>12.86</b>	<b>3.65</b>	<b>3.72</b>	<b>132.08</b>
<b>Net carrying amount as on March 31, 2019 (Proforma)</b>	<b>22.98</b>	<b>53.19</b>	<b>48.07</b>	<b>726.32</b>	<b>50.76</b>	<b>33.16</b>	<b>12.63</b>	<b>947.10</b>

Particulars	Land	Leasehold land improvements	Buildings	Computers and data centre equipments	Office equipments	Furniture and fixture	Vehicles	Total
<b>Gross carrying amount as on March 31 , 2019 (Proforma)</b>	<b>23.35</b>	<b>54.12</b>	<b>49.19</b>	<b>835.74</b>	<b>63.62</b>	<b>36.81</b>	<b>16.36</b>	<b>1,079.18</b>
Additions during the year	-	-	29.59	791.67	229.91	26.76	10.38	1,088.30
Disposals during the year	-	-	-	-	-	-	-	-
Adjustment on account of fair valuation as on March 31,2020	42.69	-	32.85	-	-	-	-	75.54
<b>Gross carrying amount as on March 31, 2020</b>	<b>66.04</b>	<b>54.12</b>	<b>111.62</b>	<b>1,627.41</b>	<b>293.52</b>	<b>63.56</b>	<b>26.73</b>	<b>2,243.01</b>
<b>Accumulated depreciation till April 1, 2019 (Proforma)</b>	<b>0.38</b>	<b>0.93</b>	<b>1.12</b>	<b>109.42</b>	<b>12.86</b>	<b>3.65</b>	<b>3.72</b>	<b>132.08</b>
Charge for the year	0.38	0.93	1.24	229.43	36.48	5.66	4.14	278.26
Accumulated depreciation on disposals during the year	-	-	-	-	-	-	-	-
Adjustment on account of fair valuation as on March 31,2020	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>0.76</b>	<b>1.86</b>	<b>2.36</b>	<b>338.85</b>	<b>49.34</b>	<b>9.32</b>	<b>7.86</b>	<b>410.34</b>
<b>Net carrying amount as on March 31, 2020</b>	<b>65.29</b>	<b>52.25</b>	<b>109.26</b>	<b>1,288.56</b>	<b>244.18</b>	<b>54.25</b>	<b>18.87</b>	<b>1,832.67</b>

Notes:

Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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Particulars	Land	Leasehold land improvements	Buildings	Computers and data centre equipments	Office equipments	Furniture and fixture	Vehicles	Total
<b>Opening gross carrying amount as on April 1, 2020</b>	<b>66.04</b>	<b>54.12</b>	<b>111.62</b>	<b>1,627.41</b>	<b>293.52</b>	<b>63.56</b>	<b>26.73</b>	<b>2,243.01</b>
Additions during the year				428.98	159.96	7.70	9.48	606.12
Disposals during the year*				142.20	0.42			142.62
<b>Gross carrying amount as on March 31, 2021</b>	<b>66.04</b>	<b>54.12</b>	<b>111.62</b>	<b>1,914.19</b>	<b>453.06</b>	<b>71.27</b>	<b>36.21</b>	<b>2,706.51</b>
<b>Accumulated depreciation till April 1, 2020</b>	<b>0.76</b>	<b>1.86</b>	<b>2.36</b>	<b>338.85</b>	<b>49.34</b>	<b>9.32</b>	<b>7.86</b>	<b>410.34</b>
Charge for the year	0.73	0.93	2.14	173.23	53.52	6.63	4.57	241.75
Accumulated depreciation on disposals during the year				15.89				15.89
<b>Closing accumulated depreciation as at March 31, 2021</b>	<b>1.48</b>	<b>2.79</b>	<b>4.50</b>	<b>496.19</b>	<b>102.85</b>	<b>15.95</b>	<b>12.43</b>	<b>636.21</b>
<b>Net carrying amount as on March 31, 2021</b>	<b>64.56</b>	<b>51.32</b>	<b>107.12</b>	<b>1,417.99</b>	<b>350.20</b>	<b>55.32</b>	<b>23.78</b>	<b>2,070.30</b>

\*includes transfer on account of sale and lease back of assets having carrying amount of Rs. 126.31 million.

**Deemed cost**

Particulars	Land	Leasehold land improvements	Buildings	Computers and data centre equipments	Office equipments	Furniture and fixture	Vehicles	Total
Deemed cost exemption availed as per para D7AA of Ind AS 101	23.35	53.74	49.19	494.10	58.43	11.26	14.81	704.89
<b>Deemed cost as on April 1, 2018 (Proforma)</b>	<b>23.35</b>	<b>53.74</b>	<b>49.19</b>	<b>494.10</b>	<b>58.43</b>	<b>11.26</b>	<b>14.81</b>	<b>704.89</b>

Particulars	Land	Buildings
Carrying amount as per Ind AS as on March 31, 2020 before revaluation [A]	22.98	77.66
Adjustment on account of fair valuation as on March 31, 2020 [B]	42.69	32.85
Fair value as on March 31, 2020	65.67	110.51

All items of property, plant and equipment, the group has elected to continue with the carrying value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and have used that as deemed costs.

Refer note no.16 : Footnote to borrowings for information on property, plant and equipment pledged as security by the group.

Additions during the year include borrowing cost capitalised of Rs.2.3 million (2020: Rs 11.5 million ; 2019: Rs 4.72 million)

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**4 Right-of-use of assets**

Following are the changes in the carrying value of right of use assets

Particulars	Premises	Server	Total
<b>Balance as on April 2018 (Proforma)</b>	539.45	-	<b>539.45</b>
Addition	-	32.98	<b>32.98</b>
Depreciation	14.22	-	<b>14.22</b>
<b>Balance as on March 2019 (Proforma)</b>	<b>525.23</b>	<b>32.98</b>	<b>558.21</b>
Addition	26.33	133.42	159.75
Depreciation	58.79	24.76	83.55
<b>Balance as on March 2020</b>	<b>492.77</b>	<b>141.64</b>	<b>634.41</b>
Addition	150.28	332.51	482.79
Depreciation	72.07	50.12	122.19
<b>Balance as on March 2021</b>	<b>570.98</b>	<b>424.03</b>	<b>995.01</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and loss

The following is the break-up of current and non-current lease liabilities

**Lease liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Non-current	578.94	571.07	515.74
Current	455.06	80.86	36.83
<b>Total</b>	<b>1,034.00</b>	<b>651.93</b>	<b>552.57</b>

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**5 Capital work in progress**

<b>Particulars</b>	<b>Capital work-in-progress</b>
<b>Deemed cost as on April 1, 2018 (Proforma)</b>	22.30
Additions	20.91
Disposals	-
<b>Gross carrying amount as on March 31, 2019 (Proforma)</b>	<b>43.21</b>

<b>Particulars</b>	<b>Capital work-in-progress</b>
<b>Opening gross carrying amount as on April 1, 2019</b>	43.21
Additions	403.14
Disposals	51.70
<b>Gross carrying amount as on March 31, 2020</b>	<b>394.65</b>

<b>Particulars</b>	<b>Capital work-in-progress</b>
<b>Opening gross carrying amount as on April 1, 2020</b>	394.65
Additions	4.69
Disposals	395.64
<b>Gross carrying amount as on March 31, 2021</b>	<b>3.70</b>

**Notes:**

Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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6 Intangible assets

Particulars	Softwares
<b>Deemed cost as on April 1 , 2018 (Proforma)</b>	-
Additions during the year	30.00
Disposals during the year	-
<b>Gross carrying amount as on March 31, 2019</b>	<b>30.00</b>
<b>Accumulated amortisation as on April 1,2018</b>	-
Amortisation charge for the year	0.36
Accumulated amortisation on disposals during the year	-
<b>Closing accumulated depreciation as at March 31, 2019</b>	<b>0.36</b>
<b>Net carrying value as on March 31, 2019</b>	<b>29.64</b>

Particulars	Softwares
<b>Gross carrying amount as on March 31, 2019</b>	<b>29.64</b>
Additions during the year	-
Disposals during the year	-
<b>Gross carrying amount as on March 31, 2020</b>	<b>29.64</b>
<b>Accumulated amortisation</b>	-
Balance as at April 1, 2019	-
Amortisation charge for the year	7.49
Accumulated amortisation on disposals during the year	-
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>7.49</b>
<b>Net carrying value as on March 31, 2020</b>	<b>22.15</b>

Particulars	Softwares
<b>Opening gross carrying amount as on April 1, 2020</b>	<b>29.64</b>
Additions during the year	29.90
Disposals during the year	-
<b>Gross carrying amount as on March 31, 2021</b>	<b>59.54</b>
<b>Accumulated amortisation</b>	-
Balance as at April 1, 2020	7.49
Amortisation charge for the year	9.98
Accumulated amortisation on disposals during the year	-
<b>Closing accumulated depreciation as at March 31, 2021</b>	<b>17.47</b>
<b>Net carrying value as on March 31, 2021</b>	<b>42.07</b>

6(a) Intangible assets under development

Particulars	Intangible assets under development
<b>Opening gross carrying amount as on April 1, 2020</b>	-
Additions during the year	46.94
<b>Gross carrying amount as on March 31,2021</b>	<b>46.94</b>

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	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
7.a	<b>Non-current financial assets</b>			
	Term deposits with maturity more than 12 months from reporting date	185.53	161.97	75.42
	Accrued interest on above deposits	0.38	0.22	2.26
	Security deposits			
	Against leased assets	44.56	31.26	25.18
	<b>Total non-current financial assets</b>	<b>230.47</b>	<b>193.45</b>	<b>102.86</b>
7.b	<b>Other current financial assets</b>			
	Security deposits			
	Against leased assets	23.78	18.62	12.80
	Other loans and advances	21.66	33.05	159.34
	Less: Loss allowance	(21.65)	(21.65)	(21.65)
	Unbilled revenue	326.79	156.83	156.29
	<b>Total other current financial assets</b>	<b>350.58</b>	<b>186.84</b>	<b>306.77</b>

**8 Other non-current assets**

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
	Capital advances	9.35	24.07	115.26
	Less: Loss allowance	(9.35)	(9.35)	(9.35)
	<b>Total other non-current assets</b>	<b>-</b>	<b>14.72</b>	<b>105.91</b>

**9 Trade receivables**

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
	Trade receivables	585.85	545.14	571.44
	Less: Loss allowance	(103.96)	(84.26)	(71.43)
	Less: credit impaired	(15.65)	-	-
	<b>Total trade receivables</b>	<b>466.24</b>	<b>460.88</b>	<b>500.01</b>
	<b>Break-up of security details</b>			
	Trade receivables (unsecured)			
	Considered good	570.20	545.14	571.44
	Significant increase in credit risk	15.65	-	-
	Less: Loss allowance	(103.96)	(84.26)	(71.43)
	Less: credit impaired	(15.65)	-	-
	<b>Total trade receivables</b>	<b>466.24</b>	<b>460.88</b>	<b>500.01</b>

**10 Cash and cash equivalents**

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
	Balances with banks	142.60	5.00	24.12
	Cash on hand	1.21	1.42	2.12
	Cheques in hand	-	-	60.00
	<b>Total cash and cash equivalents</b>	<b>143.81</b>	<b>6.42</b>	<b>86.24</b>

**11 Other bank balances**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Term deposits with original maturity with more than 3 months but due within 12 months from the date of reporting	7.81	0.15	12.09
Accrued interest on above term deposits	0.35	-	-
<b>Total other bank balances</b>	<b>8.16</b>	<b>0.15</b>	<b>12.09</b>

**12 Income-tax assets**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Advance tax and tax deducted at source (net of provision)	63.79	134.72	79.63
<b>Total income-tax assets</b>	<b>63.79</b>	<b>134.72</b>	<b>79.63</b>

**12.a Movement in income-tax assets**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Opening balance	134.72	79.63	47.44
Tax charge during the year	(19.28)	(29.53)	(58.74)
Tax charge in respect to earlier years	-	(0.57)	(0.93)
Refund of taxes	(112.60)	-	(20.97)
Payment of advance tax/tax deducted at source during the year	60.95	85.19	112.83
<b>Closing balance</b>	<b>63.79</b>	<b>134.72</b>	<b>79.63</b>

**13 Other current assets**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Prepayments	94.42	101.26	46.60
Advances to creditors	7.11	1.28	2.96
Advances to employees[include Rs 8.5 (2020 and 2019:nil) to related parties] [refer note 33]	13.70	1.29	2.58
Balances with statutory/government authorities	62.52	128.72	21.69
Other receivables	5.55	2.34	1.59
<b>Total other current assets</b>	<b>183.30</b>	<b>234.90</b>	<b>75.42</b>



14 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Authorised share capital:</b>			
1,15,00,000 (2020:1,35,00,000, 2019:1,99,85,000) equity shares of Rs 10 each**	115.00	135.00	199.85
30,00,000 (2020 : 30,00,000 , 2019 : 23,51,500) 0.01% compulsory convertible preference shares of Rs 100 each	300.00	300.00	235.15
2,00,000 (2020 : Nil , 2019 : Nil) 16% compulsory convertible preference shares of Rs 100 each	20.00	-	-
<b>Total</b>	<b>435.00</b>	<b>435.00</b>	<b>435.00</b>
<b>Issued, subscribed and paid up :</b>			
Equity share capital			
52,22,100 (2020 : 52,22,100 ; 2019 : 52,22,100) equity shares of Rs 10 each fully paid up**	52.22	52.22	52.22
<b>Total</b>	<b>52.22</b>	<b>52.22</b>	<b>52.22</b>

\*\*Subsequent to year end, the holding company have aproved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each (refer note 40)

(i) Reconciliation of number of equity shares issued, subscribed and paid up

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Shares outstanding at the beginning and end of the year	5,222,100	5,222,100	5,222,100
<b>Shares outstanding at the end of the year</b>	<b>5,222,100</b>	<b>5,222,100</b>	<b>5,222,100</b>

(ii) Reconciliation of equity share capital issued, subscribed and paid up

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Shares outstanding at the beginning and end of the year	52.22	52.22	52.22
<b>Shares outstanding at the end of the year</b>	<b>52.22</b>	<b>52.22</b>	<b>52.22</b>

(iii) Terms/ rights attached to equity shares

The equity shares referred to as 'Ordinary equity shares' have a par value of Rs. 10 each. All Ordinary equity shares rank equally with regard to dividend and share in the Company's residual assets. Equity shares are entitled to receive dividend declared from time to time subject to payment of dividend to preference shareholders. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iv) Details of shareholders holding more than 5% equity shares is set out below

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019 (Proforma)	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
Piyush Somani	47.49%	2,480,000	47.49%	2,480,000	47.49%	2,480,000
Sarla Somani	47.49%	2,480,000	47.49%	2,480,000	47.49%	2,480,000
Global Environment Capital Company, L.L.C. (GECC)	-	-	-	-	5.02%	262,100
South Asia Growth Fund II, L.P. (SAGF)	3.67%	191,858	3.67%	191,858	-	-
GEF ESDS Partners, L.L.C. (GEPL)	1.35%	70,242	1.35%	70,242	-	-

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date: Nil

15 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>I. Equity component of compound financial instrument</b>			
<b>Preference share capital</b>			
Compulsory convertible preference shares of Rs 100 each fully paid up 23,51,477 (2020 : 23,51,477 ; 2019 : 23,51,477) 0.01% compulsory convertible preference shares of Rs 100 each fully paid up	530.57	530.57	530.57
5,67,866 (2020 : 5,67,866 ; 2019 : NIL) 0.01% class A compulsory convertible preference shares of Rs 100 each fully paid up	410.00	410.00	-
1,62,842 (2020 : NIL ; 2019: NIL) 16% class B1 compulsory convertible preference shares of Rs 100 each fully paid up	78.00	-	-
4,61,934 (2020 : NIL ; 2019 : NIL) 16% compulsory convertible debentures	221.27		
	<b>1,239.84</b>	<b>940.57</b>	<b>530.57</b>
<b>II. Reserves and surplus</b>			
Retained earnings	502.76	447.73	445.69
Securities premium	6.85	6.85	6.85
Capital redemption reserve	3.58	3.58	3.58
<b>Total reserves and surplus</b>	<b>513.20</b>	<b>458.16</b>	<b>456.12</b>
<b>(i) Retained earnings</b>			
Opening balance	447.73	445.69	317.58
Profit for the year attributable to shareholders of the company	53.69	7.07	138.13
Other comprehensive income attributable to shareholders of the company	0.23	(4.99)	-
Add/Less:			
Transfer to capital redemption reserve	-	-	(3.58)
Proposed dividend on preferences shares	-	(0.04)	(11.94)
Dividend distribution tax	-	-	(2.45)
Transfer to NCI	-	-	7.97
Adjustment of additional depreciation on increase in carrying value due to fair valuation	1.12	-	-
<b>Total retained earnings</b>	<b>502.76</b>	<b>447.73</b>	<b>445.69</b>
<b>(ii) Securities premium</b>			
Opening balance	6.85	6.85	6.85
Add: Premium on issue of preference shares	-	-	-
<b>Total securities premium</b>	<b>6.85</b>	<b>6.85</b>	<b>6.85</b>
<b>(iii) Capital redemption reserve</b>			
Opening balance	3.58	3.58	-
Add: Transfer from retained earnings	-	-	3.58
<b>Total capital redemption reserve</b>	<b>3.58</b>	<b>3.58</b>	<b>3.58</b>
<b>III. Other reserves</b>			
<b>i) Foreign currency translation reserve</b>			
Opening balance	(2.47)	-	-
Add : Currency translation adjustments for subsidiaries	2.72	(2.47)	-
<b>Total foreign currency translation reserve</b>	<b>0.25</b>	<b>(2.47)</b>	<b>-</b>
<b>ii) Revaluation reserve</b>			
Opening balance	66.40	-	-
Add : adjustment on account of fair valuation as on March 31,2020	-	75.54	-
Less: adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	(1.12)	-	-
Less: deferred tax impact on above adjustments	-	(9.14)	-
<b>Total revaluation reserve</b>	<b>65.28</b>	<b>66.40</b>	<b>-</b>
<b>Total other reserves</b>	<b>65.53</b>	<b>63.93</b>	<b>-</b>
<b>Total equity</b>	<b>578.72</b>	<b>522.09</b>	<b>456.12</b>

1) Rights, preferences and restrictions attached to preference shares

Compulsory convertible cumulative preference shares (CCCPS) of Rs. 100 each were issued on June 4, 2018 carrying a coupon rate of 0.01% p.a. Company has further issued class A compulsory convertible cumulative preference shares of Rs. 100 each on August 6 and 8 2019 carrying a coupon rate of 0.01% p.a. In the event the dividend declared on ordinary equity shares exceeds rate mentioned, then such higher rate shall be applicable to the CCCPS as well.

The company has made a fresh issue of compulsory convertible debentures (CCD) of Rs. 479/- each and compulsory convertible cumulative preference shares (class B1 CCCPS) of Rs. 100/- issued at a premium of Rs. 379/- per share on May 22, 2020.

These preference shares carry a preferential right as to dividend over equity shareholders. if dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the company, all unpaid dividends must be first paid to the shareholders, before disbursement of dividends to any other shareholders.

The preference shareholders shall have the right to convert any or all of the subscription shares as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into equity shares of the company without any additional payment to the company for such conversion. At the end of the 10th (tenth) year from the date of issuance, the preference shares which are not converted shall stand automatically converted into equity shares of the company.

The holder of subscribed securities shall be entitled to attend all the shareholders meeting and to vote on an as if converted / diluted shareholding basis.

(i) Details of shareholders holding more than 5% in preference shares (CCCPS) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019 (Proforma)	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
South Asia Growth Fund II, L.P. (SAGF)	73.20%	1,721,281	73.20%	1,721,281	73.20%	1,721,281
GEF ESDS Partners, L.L.C. (GEPL)	26.80%	630,196	26.80%	630,196	26.80%	630,196

(ii) Details of shareholders holding more than 5% in preference shares (class A) (CCCPS) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019 (Proforma)	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
SAGF Holdings LLC	99.36%	564,232	99.36%	564,232	-	-
Orbis Capital Limited Being The Trustee Of South Asia EBT Trust	0.64%	3,634	0.64%	3,634	-	-

(iii) Details of shareholders holding more than 5% in preference shares (class B1) (CCCPS) is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019 (Proforma)	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
SAGF Holdings LLC	99.36%	161,800	-	-	-	-
Orbis Capital Limited Being The Trustee Of South Asia EBT Trust	0.64%	1,042	-	-	-	-

(iv) Details of shareholders holding more than 5% in of compulsory convertible debentures is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019 (Proforma)	
	% holding	No. of Debentures	% holding	No. of Debentures	% holding	No. of Debentures
SAGF Holdings LLC	99.36%	458,977	-	-	-	-
Orbis Capital Limited Being The Trustee Of South Asia EBT Trust	0.64%	2,957	-	-	-	-

(v) Reconciliation of number compulsory convertible preference shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Issued, subscribed and paid up</b>			
Shares outstanding at the beginning of the year	2,351,477	2,351,477	2,351,477
Shares issued during the year	-	-	-
Redemption of preference shares	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,351,477</b>	<b>2,351,477</b>	<b>2,351,477</b>

(vi) Reconciliation of compulsory convertible preference shares (class A ) outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Issued, subscribed and paid up</b>			
Shares outstanding at the beginning of the year	567,866	-	-
Shares issued during the year	-	567,866	-
Redemption of preference shares	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>567,866</b>	<b>567,866</b>	-

(vii) Reconciliation of compulsory convertible preference shares (class B1 ) outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Issued, subscribed and paid up</b>			
Shares outstanding at the beginning of the year	-	-	-
Shares issued during the year	162,842	-	-
Redemption of preference shares	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>162,842</b>	-	-

(viii) Reconciliation of compulsory convertible debtneures outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Issued, subscribed and paid up</b>			
Shares outstanding at the beginning of the year	-	-	-
Shares issued during the year	461,934	-	-
Redemption of preference shares	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>461,934</b>	-	-

II) Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

b) Capital Redemption Reserve

Capital Redemption reserve is created on account of redemption of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.

c) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

d) Revaluation Reserve

Revaluation reserve have been created on account of revaluation of land and building, adjusted with additional depreciaiton and taxes on the same.

16.a Non-current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Secured:</b>			
Term loans			
From banks	441.70	197.76	132.37
From financial institutions	140.28	136.95	231.34
Vehicle loans from banks	14.60	10.86	4.83
<b>Unsecured:</b>			
Term loans			
From financial institutions	7.06	10.89	32.61
From promoter	-	-	-
Liability portion of compound financial instruments			
23,51,477 (2020 : 23,51,477) 0.01% compulsory convertible preference shares of Rs 100 each fully paid up	0.18	0.16	0.15
5,67,866 (2020 : 5,67,866) 0.01% Class A compulsory convertible preference shares of Rs 100 each fully paid up*	-	-	-
1,62,842 (2020 : NIL) 16% Class B1 compulsory convertible preference shares of Rs 100 each fully paid up*	-	-	-
<b>Total</b>	<b>603.82</b>	<b>356.62</b>	<b>401.30</b>
Less : Current maturities of long term debts	(164.27)	(90.66)	(153.47)
<b>Total non - current borrowings</b>	<b>439.55</b>	<b>265.96</b>	<b>247.83</b>

\*Below the rounding off norms of the Group

16.b Current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Secured:</b>			
Demand loans from banks	99.70	139.21	106.33
<b>Unsecured:</b>			
16% Compulsory convertible debentures	-	-	-
From promoter [Refer note 33]	2.16	11.49	10.14
Debt component of compound financial instruments	-	-	-
<b>Total current borrowings</b>	<b>101.86</b>	<b>150.70</b>	<b>116.47</b>

17.a Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Capital creditors**	-	290.41	-
Lease deposit and others	-	-	-
<b>Total non-current other financial liabilities</b>	<b>-</b>	<b>290.41</b>	<b>-</b>

17.b

Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Current maturities of long-term debts	164.27	90.66	153.47
Capital creditors**	428.47	551.97	272.97
Unearned revenue	91.36	119.20	79.77
<b>Total other current financial liabilities</b>	<b>684.10</b>	<b>761.83</b>	<b>506.21</b>

\*\* Capital creditors are generally of current nature, but are considered to be non current wherever the group has unconditional right to defer the payment beyond 12 months from the reporting date.

**ESDS Software Solution Limited**  
**(formerly known as ESDS Software Solution Private Limited)**  
**Notes to the Restated Consolidated Financial Information**  
**Footnote to note 16: Borrowings**  
*(All amounts are in Rupees millions, unless otherwise stated)*

**FY 2021**

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	333.56	upto 5 years	Ranging from 8.75% to 8.80%	<p><b>Primary</b> – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present &amp; Future)</p> <p><b>Collateral</b> – Extension of First hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with SBI, excluding receivables charged to SIDBI.</p> <p><b>Common Collateral (for all the facilities)</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p><b>Additional Collateral (for all the facilities)</b> –            DSRA of Rs. 4.71 million            RD of Rs. 0.5 million per month            FD of Rs. 25.00 million with bank’s lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)            FD of Rs. 50.00 million with bank’s lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)            Charge on patented technology and patented products of the company</p>
2	Axis Bank Ltd.	Short Term Loans	99.70	On demand	8.75%	<p><b>Primary</b> - First hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with SBI, excluding receivables charged to SIDBI.</p> <p><b>Collateral</b> – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd.</p> <p><b>Common Collateral (for all the facilities)</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p><b>Additional Collateral (for all the facilities)</b> –            DSRA of Rs. 4.71 million            RD of Rs. 0.5 million per month            FD of Rs. 25.00 million with bank’s lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)            FD of Rs. 50.00 million with bank’s lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)            Charge on patented technology and patented products of the company</p>

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3	State Bank of India	Term Loans	108.13	upto 5 years	10.20%	<p><b>Primary</b> - Exclusive charge by hypothecation of P&amp;M purchased out of SBI TL</p> <p><b>Collateral</b> - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI.</p> <p><b>Common Collateral</b> - Pari Pasu charge with Axis Bank Ltd. on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p>1st pari pasu RD of Rs. 0.5 million per month</p> <p>1st pari pasu on FD of Rs. 25.00 million with bank's lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)</p> <p>1st pari pasu on FD of Rs. 50.00 million with bank's lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)</p> <p>Exclusive charge on FD of 0.25 Cr.</p>
4	Clix Finance India Private Limited	Equipment Loan	20.31	32 months	12.50%	<p>Primary: First and exclusive charge on the equipment financed by the lender.</p> <p>Lien on Security Deposits of Rs 2.97 million</p>
5	Hero Fincorp Ltd	Equipment Loan	24.38	upto 21 months	12.00%	<p>Primary: Hypothication lien marked on the assets being funded by Hero Fincorp Limited</p> <p>PG of Piyush Somani &amp; Sarla Somani</p>

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6	SIDBI	RLOC (Long Term Loans)	47.12	upto 4 years	10.60%	<p><b>Primary</b> – 1st charge by way of hypothecation on all the movables of the borrower including P&amp;M, equipment, machinery spares, tools &amp; accessories, office equipment, computers, furniture &amp; fixtures, misc. fixed assets etc.</p> <p><b>Collateral</b> – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account</p> <p>1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness.</p> <p>Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI</p> <p>1st charge on escrow account with minimum balance of at least 3 month’s debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid</p> <p>POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land &amp; building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.</p>
7	Tata Capital Financial Services	Equipment Loan	48.47	upto 39 months	12.65%	<p>Primary: Plant and Machinery purchased out of Term Loan</p> <p>Lien on Fixed Deposits of Rs 7.01 million</p>
8	IDFC First Bank	Equipment Loan	7.06	22 months	16.00%	Unsecured
9	Axis Bank Ltd.	Auto Loan	0.64	21 months	8.90%	Primary: Vehicle Purchased out of Loan
10	Kotak Mahindra Prime Limited	Auto Loan	7.51	upto 56 months	9.19%	Primary: Vehicle Purchased out of Loan
11	ICICI Bank Limited	Auto Loan	6.46	30 months	8.25%	Primary: Vehicle Purchased out of Loan
<b>Total</b>			<b>703.34</b>			

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**FY 2020**

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Ltd.	Term Loans	96.87	upto 4 years	Ranging from 8.75% to 8.80%	<p><b>Primary</b> – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present &amp; Future)</p> <p><b>Collateral</b> – Extension of First hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with SBI, excluding receivables charged to SIDBI.</p> <p><b>Common Collateral (for all the facilities)</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p><b>Additional Collateral (for all the facilities)</b> –            DSRA of Rs. 4.71 million            RD of Rs. 0.5 million per month            FD of Rs. 25.00 million with bank’s lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)            FD of Rs. 50.00 million with bank’s lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)            Charge on patented technology and patented products of the company</p>
2	Axis Bank Ltd.	Short Term Loans	94.45	On demand	8.75%	<p><b>Primary</b> - First hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with SBI, excluding receivables charged to SIDBI.</p> <p><b>Collateral</b> – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd.</p> <p><b>Common Collateral (for all the facilities)</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p><b>Additional Collateral (for all the facilities)</b> –            DSRA of Rs. 4.71 million            RD of Rs. 0.5 million per month            FD of Rs. 25.00 million with bank’s lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)            FD of Rs. 50.00 million with bank’s lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)            Charge on patented technology and patented products of the company</p>



**ESDS Software Solution Limited**  
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**Notes to the Restated Consolidated Financial Information**  
**Footnote to note 16: Borrowings**  
*(All amounts are in Rupees millions, unless otherwise stated)*

3	State Bank of India	Term Loans	93.04	4 years	12.25%	<p><b>Primary</b> - Exclusive charge by hypothecation of P&amp;M purchased out of SBI TL</p> <p><b>Collateral</b> - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI.</p> <p><b>Common Collateral</b> - Pari Pasu charge with Axis Bank Ltd. on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p>1st pari pasu RD of Rs. 0.5 million per month</p> <p>1st pari pasu on FD of Rs. 25.00 million with bank’s lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)</p> <p>1st pari pasu on FD of Rs. 50.00 million with bank’s lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)</p> <p>Exclusive charge on FD of 0.25 Cr.</p>
4	State Bank of India	Short Term Loans	42.10	On demand	11.25%	<p><b>Primary</b> - Hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with Axis Bank Ltd, excluding receivables charged to SIDBI.</p> <p><b>Collateral</b> - Extension of exclusive charge by hypothecation of plant &amp; machinery purchased out of SBI TL, for Bengaluru Data Centre and extension of 1st pari pasu charge by hypothecation of P&amp;M purchased out of the project financed from consortium TLs.</p> <p><b>Common Collateral</b> - Pari Pasu charge with Axis Bank Ltd. on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007</p> <p>1st pari pasu RD of Rs. 0.5 million per month</p> <p>1st pari pasu on FD of Rs. 25.00 million with bank’s lien, interest accrued on FD not to be released (value as on 31.03.2021 is Rs. 29.12 million)</p> <p>1st pari pasu on FD of Rs. 50.00 million with bank’s lien (value as on 31.03.2021 along with DSRA is Rs. 68.29 million)</p>

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*(All amounts are in Rupees millions, unless otherwise stated)*

5	Clix Finance India Private Limited	Equipment Loan	26.60	44 months	12.50%	<b>Primary:</b> First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
6	Hero Fincorp Ltd	Equipment Loan	35.80	upto 3 years	12.00%	<b>Primary:</b> Hypothication lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani
7	SIDBI	RLOC (Long Term Loans)	55.98	1 to 4 years	10.60%	<b>Primary</b> – 1st charge by way of hypothecation on all the movables of the borrower including P&M, equipment, machinery spares, tools & accessories, office equipment, computers, furniture & fixtures, misc. fixed assets etc. <b>Collateral</b> – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account  1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness.  Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI  1st charge on escrow account with minimum balance of at least 3 month’s debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid  POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land & building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.
8	Tata Capital Financial Services Limited	Equipment Loan	18.57	24 months	12.65%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
9	IDFC First Bank	Equipment Loan	9.98	34 months	16.00%	Unsecured
10	Axis Bank Limited	Auto Loan	0.98	33 months	8.90%	<b>Primary:</b> Vehicle Purchased out of Loan

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**Notes to the Restated Consolidated Financial Information**

**Footnote to note 16: Borrowings**

*(All amounts are in Rupees millions, unless otherwise stated)*

11	Kotak Mahindra Prime Limited	Auto Loan	0.96	21 months	9.19%	<b>Primary:</b> Vehicle Purchased out of Loan
12	ICICI Bank Limited	Auto Loan	8.92	42 months	8.25%	<b>Primary:</b> Vehicle Purchased out of Loan
13	Bank of Baroda	FDOD	7.86	On demand	7.75%	Fixed Deposit
14	Kotak Mahindra Prime Limited	Equipment Loan	0.51	6 months	18% (Reducing)	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
15	Aditya Birla Finance Limited	Equipment Loan	0.40	6 months	20.00%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
<b>Total</b>			<b>493.02</b>			

**FY 2019**

Sr. No	Name of the bank	Type of Facility	Outstanding amount as on FY end	Residual repayment term	Interest Rate	Security
1	Axis Bank Limited	Term Loans	19.87	upto 5 years	10%	<p><b>Primary</b> – First hypothecation charge on entire movable fixed assets financed by Axis Bank Ltd. (both Present &amp; Future)</p> <p><b>Collateral</b> – Extension of First hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with SBI, excluding receivables charged to SIDBI.</p> <p><b>Common Collateral (for all the facilities)</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007.</p> <p><b>Additional Collateral (for all the facilities)</b> –            DSRA of Rs. 4.71 million            RD of Rs. 0.5 million per month</p> <p><b>PG:</b> Piyush Somani &amp; Sarla Somani</p>

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**Notes to the Restated Consolidated Financial Information**

**Footnote to note 16: Borrowings**

*(All amounts are in Rupees millions, unless otherwise stated)*

2	Axis Bank Limited	Short Term Loans	29.74	On demand	9.85%	<p><b>Primary</b> - First hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with SBI, excluding receivables charged to SIDBI.</p> <p><b>Collateral</b> – Extension of first hypothecation charge on entire movable fixed assets of the company financed by Axis Bank Ltd.</p> <p><b>Common Collateral (for all the facilities)</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007.</p> <p><b>Additional Collateral (for all the facilities)</b> –  DSRA of Rs. 4.71 million  RD of Rs. 0.5 million per month  <b>PG:</b> Piyush Somani &amp; Sarla Somani</p>
3	State Bank of India	Term Loans	112.50	5 years	10.20%	<p><b>Primary</b> - Exclusive charge by hypothecation of P&amp;M purchased out of SBI TL</p> <p><b>Collateral</b> - Extension of charge on hypothecation of all current assets of the company 1st pari pasu charge with Axis Bank Ltd. excluding receivables charged to SIDBI.</p> <p><b>Common Collateral</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007.  1st pari pasu RD of Rs. 0.5 million per month</p>
4	State Bank of India	Short Term Loans	76.59	On demand	7.40%	<p><b>Primary</b> - Hypothecation charge on entire current assets of the company (both present &amp; future) on pari pasu basis with Axis Bank Ltd, excluding receivables charged to SIDBI.</p> <p><b>Collateral</b> - Extension of exclusive charge by hypothecation of plant &amp; machinery purchased out of SBI TL. Present and future.</p> <p><b>Common Collateral</b> - Pari Pasu charge with SBI on – Industrial land &amp; building situated at Plot No. B-24 &amp; 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007.  1st pari pasu RD of Rs. 0.5 million per month</p>

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5	Clix Finance India Private Limited	Equipment Loan	31.42	56 months	12.50%	Primary: First and exclusive charge on the equipment financed by the lender. Lien on Security Deposits of Rs 2.97 million
6	Hero Fincorp Limited	Equipment Loan	45.83	upto 4 years	12.00%	Primary: Hypothecation lien marked on the assets being funded by Hero Fincorp Limited PG of Piyush Somani & Sarla Somani
7	SIDBI	RLOC (Long Term Loans)	101.98	upto 4 years	10.60%	<p><b>Primary</b> – 1st charge by way of hypothecation on all the movables of the borrower including P&amp;M, equipment, machinery spares, tools &amp; accessories, office equipment, computers, furniture &amp; fixtures, misc. fixed assets etc.</p> <p><b>Collateral</b> – 1st charge in favors of SIDBI on cash flows generated from orders to be routed through designated escrow account</p> <p>1st charge in favors of SIDBI on Debt Service Reserve in form of FD to the extent of 5% of the assistance disbursed may be generally kept for meeting debt service during temporary instances of liquidity tightness.</p> <p>Extension of 1st charge by way hypothecation in favor of SIDBI on all movables including movable machinery, machinery spares, tools and accessories required under the previous financial assistance sanctioned to the company by SIDBI</p> <p>1st charge on escrow account with minimum balance of at least 3 month’s debt servicing obligations to be retained. The amount will be used as first loss guarantee and SIDBI at its discretion, would set off over dues (if any) in respect of Interest/principal/FI/PI remaining unpaid</p> <p>POA in favor of SIDBI for creation of residual charge in favor of SIDBI by way of mortgage on its office land &amp; building situated at Plot No. B-24/25, Nice Industrial Area, MIDC, Satpur, Nashik – 422007.</p>

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**Notes to the Restated Consolidated Financial Information**

**Footnote to note 16: Borrowings**

*(All amounts are in Rupees millions, unless otherwise stated)*

8	Tata Capital Financial Services Limited	Equipment Loan	29.16	upto 36 months	12.65%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan Lien on Fixed Deposits of Rs 7.01 million
9	Kotak Mahindra Financial Services Limited	Auto Loan	1.44	33 months	9.19%	<b>Primary:</b> Vehicle Purchased out of Loan
10	ICICI Bank Ltd	Auto Loan	3.39	upto 32 months	9.25%	<b>Primary:</b> Vehicle Purchased out of Loan
11	Kotak Mahindra Prime Limited	Equipment Loan	1.41	18 months	18% (Reducing)	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
12	Aditya Birla Finance Limited	Equipment Loan	1.37	18 months	20.00%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
13	Capital First Limited	Equipment Loan	2.42	upto 6 months	18% to 18.5% (Reducing)	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
14	Edelweiss Retail Finance	Equipment Loan	0.70	5 months	18.00%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
15	HP Financial Services	Equipment Loan	8.15	upto 10 months	14.42%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
16	IBM India Pvt. Ltd.	Equipment Loan	21.28	12 months	18.00%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan
17	Jain Sons Finlease	Equipment Loan	19.38	12 months	16.00%	<b>Primary:</b> Plant and Machinery purchased out of Term Loan <b>Cash Collateral:</b> of 7% of the facilities
	<b>Total</b>		<b>507.48</b>			

18 Employee benefit obligations

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Non-current			
Gratuity (refer note 34)	37.17	26.95	16.61
Compensated absences	35.39	20.33	7.61
<b>Total non-current obligations</b>	<b>72.56</b>	<b>47.28</b>	<b>24.22</b>
Current			
Gratuity (refer note 34)	1.82	1.34	0.69
Compensated absences	2.28	1.29	0.39
<b>Total current obligations</b>	<b>4.10</b>	<b>2.63</b>	<b>1.08</b>

**Gratuity**

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India.

19 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Trade payables			
Related parties (refer note 33)	0.47	-	-
Others	247.08	322.76	231.91
<b>Total trade payables</b>	<b>247.55</b>	<b>322.76</b>	<b>231.91</b>

20 Income-tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Provision for income tax (net of advance taxes)	0.38	1.00	1.80
<b>Total income-tax liabilities</b>	<b>0.38</b>	<b>1.00</b>	<b>1.80</b>

20.a Movement in income-tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Opening balance	1.00	1.80	-
Tax charge during the year	0.38	1.59	1.80
Tax charge in respect to earlier years	-	-	-
Refund of taxes	-	-	-
Payment of advance tax/tax deducted at source during the year	1.00	2.39	-
<b>Closing balance</b>	<b>0.38</b>	<b>1.00</b>	<b>1.80</b>

21 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Accrued employee benefits			
Related parties [refer note 33]	1.81	-	-
Others	69.52	5.89	24.02
Statutory liabilities	18.23	33.57	32.19
Advance from customers	5.56	27.72	9.45
Provision for expenses	12.38	11.02	8.77
Interest accrued but not due on borrowings	0.99	2.54	5.87
Other payables	13.05	12.50	40.60
<b>Total other current liabilities</b>	<b>121.54</b>	<b>93.24</b>	<b>120.90</b>

22 Income tax expense

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Current tax			
Pertaining to profit for the current year	19.28	29.53	60.54
MAT credit entitlement	(19.28)	(22.11)	7.78
Deferred tax	32.81	17.99	(26.41)
<b>Income tax expense</b>	<b>32.81</b>	<b>25.41</b>	<b>41.91</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>			
Profit before income tax expenses	87.67	34.77	180.03
Tax at the Indian tax rate of 27.82% (FY 2019-20 - 27.82%) (FY 2018-19 - 29.12%)	24.39	9.67	52.42
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>			
Corporate social responsibility expenditure not allowed under taxation and Donation	0.52	1.01	0.03
14A disallowance	0.12	0.27	0.39
Deduction Of education cess	-	(0.72)	(0.75)
Change in income-tax rate	-	(1.89)	-
Loss from subsidiaries	8.77	16.58	-
Others	(0.99)	0.49	10.84
<b>Total</b>	<b>8.42</b>	<b>15.74</b>	<b>10.51</b>
<b>Net current tax expenses recognised in Statement of Profit &amp; Loss</b>	<b>32.81</b>	<b>25.41</b>	<b>62.93</b>

23 Deferred tax (net)

(a) Income tax expense

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Net Deferred tax (assets)/liabilities**</b>	<b>32.68</b>	<b>19.23</b>	<b>13.39</b>
<b>Deferred tax assets/liabilities arise from the following:</b>			
<b>Tax credits available:</b>			
<b>MAT credit receivable</b>	<b>58.02</b>	<b>39.12</b>	<b>17.01</b>
Mat credit receivable ESDS Internet Services Private Limited	3.57	3.18	2.93
<b>Deferred tax assets-ESDS Internet Services Private Limited</b>			
Provision for doubtful debts, doubtful deposits and capital advance	4.71	4.71	4.93
<b>Deferred tax assets</b>			
Gratuity & compensated absences	21.33	13.76	7.25
Provision for doubtful debts, doubtful deposits and capital advance	32.83	27.35	24.89
Disallowances under Sec 40(a) of the Income Tax Act 1961	1.01	-	-
Lease liabilities	287.66	184.47	-
Income tax business loss setoff	56.62	-	-
IND AS reconciliations	-	32.55	14.85
	<b>465.75</b>	<b>305.14</b>	<b>71.86</b>
<b>Deferred tax liability</b>			
PP&E depreciation and intangible amortization	218.74	140.91	85.25
Right use of assets	272.49	183.46	-
Others	7.20	-	-
	<b>498.43</b>	<b>324.37</b>	<b>85.25</b>

\*\*Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Movement in deferred tax (assets)/ liabilities:	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Opening deferred tax (assets) / liabilities</b>	<b>19.23</b>	<b>13.39</b>	<b>59.69</b>
Charged to profit or loss	-	-	-
Mat credit entitlement	(19.28)	(22.37)	(9.74)
Gratuity & compensated absences	(7.56)	(6.52)	0.57
Provision for doubtful debts, doubtful deposits and capital advance	(5.48)	(2.24)	(19.76)
Disallowances under Sec 40(a) of the Income Tax Act 1961	(1.01)	-	-
IND AS	32.55	(17.70)	(14.85)
Lease liabilities	(103.19)	(184.47)	-
Right use of assets	89.03	183.46	-
Income tax business loss setoff	(56.62)	-	-
PP&E depreciation and intangible amortization	77.81	55.68	(2.52)
Others	7.20	-	-
<b>Closing deferred tax liability after set off</b>	<b>32.68</b>	<b>19.23</b>	<b>13.39</b>



24 Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>Sale of services</b>			
Cloud hosting and managed services	1,622.90	1,418.82	1,269.95
Technical support services	96.37	93.39	81.63
<b>Sale of products</b>			
Cloud hosting related products	-	73.52	4.19
<b>Total revenue from operations</b>	<b>1,719.27</b>	<b>1,585.73</b>	<b>1,355.77</b>

Revenue disaggregation in terms of nature of goods and services has been included above.

A. Reconciliation of revenue recognised with contract price

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>Contract price</b>			
Adjustments for:			
Unbilled Revenue	1,483.85	1,548.09	1,279.25
Unearned Revenue	326.79	156.84	156.29
	(91.36)	(119.20)	(79.77)
<b>Revenue from operations</b>	<b>1,719.27</b>	<b>1,585.73</b>	<b>1,355.77</b>

25 Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Interest:			
Deposits with banks	10.02	11.82	4.00
Income tax refunds	8.55	1.59	-
Others	0.24	4.20	9.42
Unwinding of discount on security deposits	2.17	0.44	-
Foreign exchange fluctuation gain(net)	-	1.56	-
Miscellaneous income	0.76	-	6.22
<b>Total other income</b>	<b>21.74</b>	<b>19.61</b>	<b>19.64</b>

26 Purchases of products

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>Purchases of products</b>			
Cloud hosting related products	-	42.37	3.26
<b>Total purchases of products</b>	<b>-</b>	<b>42.37</b>	<b>3.26</b>

27 Employee benefit expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Salaries, wages and bonus	528.81	436.31	249.54
Contribution to provident and other funds	18.49	11.74	8.28
Gratuity [refer note 34]	11.83	8.62	4.70
Compensated absences	19.96	15.88	3.17
Other employee related costs	11.21	10.62	9.10
<b>Total employee benefit expense</b>	<b>590.30</b>	<b>483.17</b>	<b>274.79</b>

28 Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Interest:			
Borrowings [net of amount capitalised Rs 2.3 (2020: 11.5)]	62.98	47.47	10.30
Lease liabilities	87.23	58.10	50.13
Others	11.95	-	54.29
Other borrowing costs	9.56	3.75	-
Bank charges	4.75	3.85	3.68
<b>Total finance costs</b>	<b>176.47</b>	<b>113.17</b>	<b>118.40</b>

29 Depreciation and amortization expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Depreciation of property, plant and equipment	241.76	278.26	158.46
Amortisation of intangible assets	9.98	7.49	0.36
Amortisation of right of use asset	122.19	83.55	14.22
<b>Total</b>	<b>373.93</b>	<b>369.30</b>	<b>173.04</b>

30 Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Project servicing cost	48.61	103.20	242.91
Rental charges	11.62	30.35	16.02
Office expenses	6.06	11.24	6.01
Travel and conveyance	15.59	45.59	24.93
Communication charges	93.39	68.81	47.83
Contract labour charges	32.05	29.02	16.52
Corporate social responsibility expenditure	3.70	4.60	-
Rates and taxes	3.56	7.11	6.77
Legal and professional charges	64.14	49.07	65.05
Loss on sale of asset (net)	2.34	-	3.40
Sales commission	12.37	21.95	23.69
Insurance	4.93	2.50	3.51
Advertisement and sales promotion	20.16	82.64	21.65
Power and fuel charges	63.20	46.24	36.44
Repairs and maintenance:			
Computers	0.41	0.39	0.55
Others	2.01	6.84	2.35
Membership and subscription charges	65.99	21.81	16.65
Expected credit loss allowance [refer note 36]	46.48	12.84	72.84
Foreign exchange fluctuation loss(net)	6.25	(0.00)	3.46
Payment to auditors(refer note below)	1.66	1.27	1.45
Miscellaneous expenses	8.13	17.10	13.86
<b>Total</b>	<b>512.65</b>	<b>562.57</b>	<b>625.89</b>

Payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>As auditor</b>			
Statutory audit fee	1.00	1.00	1.00
Tax audit fee	0.25	0.15	0.15
Transfer pricing audit fees	0.35	-	-
<b>In other capacity</b>			
Fees for other services	0.06	0.12	0.30
<b>Total</b>	<b>1.66</b>	<b>1.27</b>	<b>1.45</b>

31 Earnings per share

a) earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>(i) Basic earnings per share</b>			
Profit attributable to equity shareholders of the Company	53.92	2.08	130.16
Weighted average number of equity shares**	52,221,000	52,221,000	52,221,000
<b>Basic earnings per share</b>	<b>1.03</b>	<b>0.04</b>	<b>2.49</b>
<b>(ii) Diluted earnings per share</b>			
Profit attributable to equity shareholders of the Company	53.92	2.08	130.16
Weighted average number of equity shares (including potential shares)	55,879,711	54,953,647	54,572,477
<b>Diluted earnings per share</b>	<b>0.96</b>	<b>0.04</b>	<b>2.39</b>

\*\*Subsequent to year end, the holding company have aproved stock split of one equity share having face value of INR 10 each into ten equity shares having face value of INR 1 each (refer note 40)

b) Profit reconciliation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>(i) Basic earnings per share</b>			
Profit attributable to equity shareholders of the Company used in calculating basic	53.92	2.08	130.16
<b>(ii) Diluted earnings per share</b>			
Profit attributable to equity shareholders of the Company used in calculating basic	53.92	2.08	130.16
<b>Profit attributable to equity shareholders of the Company used in calculating</b>	<b>53.92</b>	<b>2.08</b>	<b>130.16</b>

(c) Weighted average number of shares used as denominator

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	<b>52,221,000</b>	<b>52,221,000</b>	<b>52,221,000</b>
Adjustments for calculation of diluted earnings per share :			
Compulsory convertible preference shares	2,351,477	2,351,477	2,351,477
Class A - Compulsory convertible preference shares	771,467	381,170	-
Class B1 Compulsory convertible preference shares	139,643	-	-
16% Debentures	396,124	-	-
<b>Weighted average number of equity shares and potential shares used as the denominator in calculating diluted earnings per share</b>	<b>55,879,711</b>	<b>54,953,647</b>	<b>54,572,477</b>

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**  
**Notes to the Restated Consolidated Financial Information**  
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**32 Contingencies and commitments**

i) **Capital Commitments**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	16.55	138.20

ii) **Contingent liabilities (to the extent not provided for)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Claims against the company not acknowledged as debts</b>			
Income tax matters	-	-	2.52
Performance bank guarantees given to customers	121.84	164.27	140.65
<b>Total</b>	121.84	164.27	143.17

\*In 2019, arbitration proceedings against the suit initiated by Trigyn Technologies Limited for a claim of Rs. 9442.8 million have commenced and pending as on date. The management, on the basis of legal opinion obtained by them is confident that the claim is frivolous and hence has not been provided for in the financial statements.

The Company has received legal opinion to the effect that the claim neither be sustainable nor for any financial claims. The Company does not foresee any probable outflow in the matter and accordingly has not specifically disclosed the quantum under contingent liability.

\*In 2020, the company has enacted Vivad se Vishwas for settlement of disputes whereby certain concessions on the payable amounts offered with waiver of interest & penalty. The Board of Directors of the company has approved the settlement of disputes under VSV Scheme. Accordingly, the company has opted to settle the disputes under scheme and as against total disputed tax amount of Rs. 0.6 million ( as per joint statement of the company & tax authority) for AY 2013-2014 . Accordingly, the amounts shown under the contingent liabilities has been withdrawn.

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**  
**Notes to the Restated Consolidated Financial Information**  
*(All amounts are in Rupees Millions, unless otherwise stated)*

**33 Related party transactions**

Related Party	Relation
<b><u>Para 9(a)(ii): Individuals having Significant influence over Reporting Entity(RE)</u></b>	
Piyush Somani	47.49% shares of company
Sarla Somani	47.49% shares of company
<b>Relatives of such individuals:</b>	
Pooja Somani	Sister of Chairman and Managing Director
Prajakta Somani Jadhav	Sister of Chairman and Managing Director
Komal Somani	Wife of Chairman and Managing Director (Whole Time Director w.e.f July 28, 2021)
<b><u>Para 9(a)(iii): Individuals who are KMP of RE or KMP of Parent of RE</u></b>	
Piyush Somani	Chairman and Managing Director
Sarla Somani	Director (till July 28,2021)
Komal Somani	Whole Time Director (w.e.f July 28, 2021)
Kantilal Tekne	Company Secretary (till December 15,2020)
Rajesh R Pai (on behalf of GECC)	Nominee Director (till July 6, 2020)
Alipt Sharma (on behalf of GECC)	Nominee Director (from June 4, 2018)
Ravi Ajmera	Chief Financial Officer (Till September 25,2019)
Sandeep Mehta	Chief Financial Officer (From April 6,2020)
<b><u>Para 9(b)(i): Entities that are parent, subsidiary, fellow subsidiary of RE</u></b>	
ESDS Internet Services Private Limited	Subsidiary Company
ESDS Global Software Solution Inc.	Wholly owned Subsidiary Company
ESDS Cloud FZ LLC	Wholly owned Subsidiary Company
Spochub Solutions Private limited	Wholly owned Subsidiary Company
<b><u>Para 9(b)(vi):Individual RP as per Para 9a has control/JC over another entity</u></b>	
Great Ideas in Action LLP	Komal Somani: Designated patner
Rasvera Wines Private Limited	Komal Somani: Director

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**  
**Notes to the Restated Consolidated Financial Information**  
*(All amounts are in Rupees Millions, unless otherwise stated)*

**I Nature of transactions and amounts**

Nature of transactions	KMP			Relatives of KMP			Subsidiary			Individuals having control over another entity		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Salaries and allowances	9.93	5.74	0.16	4.23	4.14	3.43	-	-	-	-	-	-
Director remuneration	8.79	8.72	6.65	-	-	-	-	-	-	-	-	-
Loan given/(recovered)-net	-	-	-	8.50	-	-	49.13	(74.55)	150.00	-	-	-
Loan taken/(repaid)-net	(1.97)	(6.01)	10.14	-	-	-	-	-	-	-	-	-
Operating and other expenses	-	-	-	-	-	-	132.23	120.79	80.34	**0.61	-	-
Sales of services	-	-	-	-	-	-	-	20.74	-	**0.01	-	-
Director sitting fees	-	-	0.06	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	10.37	0.26	-	-	-	-
Investment in share capital	-	-	-	-	-	-	0.20	0.27	-	-	-	-
<b>Total</b>	<b>16.75</b>	<b>8.45</b>	<b>17.01</b>	<b>12.73</b>	<b>4.14</b>	<b>3.43</b>	<b>191.93</b>	<b>67.51</b>	<b>230.34</b>	<b>0.62</b>	-	-

\*\*Amount paid to Great Ideas in Action LLP for the year 2020-21 - 0.62 million

**II Outstanding receivable/(payable) balances**

Nature of transactions	KMP			Relatives of KMP			Subsidiary			Individuals having control over another entity		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Payables towards salary / managerial remuneration	1.81	-	0.44	0.31	-	0.20	-	-	-	-	-	-
Loans payable	2.16	4.13	10.14	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	8.50	-	-	134.95	75.45	150.00	-	-	-
Trade payables	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements balances payable	0.07	-	-	0.01	-	-	12.57	4.30	13.80	0.39	-	-
Accounts due from	-	-	-	-	-	-	3.98	10.77	-	-	-	-
Security deposits	-	-	-	-	-	-	10.00	10.00	10.00	-	-	-

**III Amount written off**

Particulars	2020-21	2019-20	2018-19
KMP	0.10	-	-

**IV Compensation to KMP**

Particulars	2020-21	2019-20	2018-19
Short term employee benefits	18.72	14.46	6.81

\*Represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

**V Terms and conditions for outstanding balances**

All outstanding balances are unsecured and payable in cash.

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**

**Notes to the Restated Consolidated Financial Information**

*(All amounts are in Rupees Millions, unless otherwise stated)*

**34 Employee benefit obligations**

**A. Defined contribution plans :**

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The group has no obligation other than to make the specified contribution. The contribution is charged to statement of profit and loss as it accrues.

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Contribution to provident fund	17.04	10.62	8.87
Contribution to ESIC	1.45	1.11	-
<b>Total</b>	<b>18.49</b>	<b>11.73</b>	<b>8.87</b>

**B Defined benefit plan**

The group provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

**(a) Movements in the present value of the defined obligation are as follows:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>Obligation at the beginning of the year</b>	<b>29.05</b>	<b>17.74</b>	<b>14.59</b>
Current service cost	9.86	7.18	3.58
Interest expense	1.98	1.21	1.12
Actuarial losses (gains) arising from change in financial assumptions	-	3.43	-
Benefits paid	(0.91)	(0.99)	(1.56)
Actuarial losses (gains) arising from experience adjustments	(0.53)	0.48	0.01
<b>Liability at the end of the year</b>	<b>39.45</b>	<b>29.05</b>	<b>17.74</b>

**(b) Change in fair value of plan assets**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>Fair value of plan assets at the beginning of the year</b>	<b>0.78</b>	<b>0.45</b>	<b>0.59</b>
Interest income	0.05	0.04	0.04
Benefits paid	-	-	(0.18)
Contributions	-	0.28	-
Actuarial Gain / (Loss) on Plan Assets	(0.35)	0.01	(0.00)
<b>Fair value of plan assets at the end of the year</b>	<b>0.48</b>	<b>0.78</b>	<b>0.45</b>
Actual return on plan assets	-	-	-

ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)

Notes to the Restated Consolidated Financial Information

(All amounts are in Rupees Millions, unless otherwise stated)

(c) The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Present value of funded obligations	10.40	29.05	17.74
Fair value of plan assets	(0.30)	0.78	0.45
<b>Deficit of funded plans</b>	<b>10.70</b>	<b>28.27</b>	<b>17.29</b>
Unfunded plans			
<b>Deficit of Gratuity Plan</b>	<b>10.70</b>	<b>28.27</b>	<b>17.29</b>

(d) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Service cost	9.86	7.18	3.58
Net interest (income)/expense	1.92	1.17	1.08
Net actuarial (Gain)/loss recognised in the year	(0.18)	3.90	0.01
<b>Net gratuity cost</b>	<b>11.60</b>	<b>12.25</b>	<b>4.68</b>

(e) Expenses recognized in statement of other comprehensive income:

Remeasurement	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Remeasurement for the year - obligation (Gain)/Loss	(0.53)	3.91	0.01
Return on plan assets excluding amount included in Net interest on net defined liability/(asset) above	0.35	(0.01)	0.00
<b>Total Remeasurement Cost/(Credit) for the year recognised in OCI</b>	<b>(0.18)</b>	<b>3.90</b>	<b>0.01</b>

(f) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	6.80%	6.80%	7.70%
Rate of growth in compensation level	7.00%	7.00%	7.00%
Expected average remaining working lives of employees (in years)	58 years	58 years	58 years
Attrition Rate	5% to 1%	5% to 1%	5% to 1%

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.



**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)****Notes to the Restated Consolidated Financial Information***(All amounts are in Rupees Millions, unless otherwise stated)***Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in Assumption	Defined benefit obligation		
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
(i) 1% increase in discount rate	34.41	25.28	15.47
(ii) 1% decrease in discount rate	45.57	33.65	20.50
(iii) 1% increase in rate of salary escalation	45.49	33.59	20.49
(iv) 1% decrease in rate of salary escalation	34.38	25.25	15.44
(v) 1% increase in rate of withdrawal	39.41	29.02	17.83
(iv) 1% decrease in rate of withdrawal	39.50	29.10	17.65

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 1%, keeping all other actuarial assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected contributions to the defined benefits plan in future year:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Year 1	1.82	1.34	0.69
Year 2	1.32	0.93	0.79
Year 3	1.22	0.93	0.63
Year 4	1.17	0.86	0.60
Year 5	1.13	0.83	0.58
Year 6 to 10	3.09	2.61	1.37

(g) The major categories of plans assets are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Fund Managed by Insurance Company	100%	100%	100%

35 Fair value measurements

Financial instruments by category

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020		For the year ended March 31, 2019 Proforma	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>						
Non-current financial assets						
Term deposits with maturity more than 12 months from reporting date	-	185.91	-	162.19	-	77.68
Security deposits	-	44.56	-	31.26	-	25.18
Current financial assets						
Trade receivables	-	466.24	-	460.88	-	500.01
Cash and cash equivalents	-	143.81	-	6.42	-	86.24
Other bank balances	-	8.16	-	0.15	-	12.09
Other current financial assets						
Security deposit	-	23.78	-	18.62	-	12.80
Other loans and advance	-	0.00	-	11.39	-	137.69
Unbilled revenue	-	326.79	-	156.83	-	156.29
<b>Total financial assets</b>	-	<b>1,199.25</b>	-	<b>847.74</b>	-	<b>1,007.98</b>
<b>Financial liabilities</b>						
Non current financial liabilities						
Non-current borrowings	-	439.55	-	265.96	-	247.83
Lease liabilities	-	578.94	-	571.07	-	515.74
Other non-current financial liabilities						
Capital creditors	-	-	-	290.41	-	-
Debt component of compound financial instruments	-	-	-	-	-	-
Current financial liabilities						
Current borrowings	-	101.86	-	150.70	-	116.47
Lease liabilities	-	455.06	-	80.86	-	36.83
Trade payables	-	247.55	-	322.76	-	231.91
Other current financial liabilities						
Current maturities of long-term debts	-	164.27	-	90.66	-	153.47
Capital creditors	-	428.47	-	551.97	-	272.97
Unearned revenue	-	91.36	-	119.20	-	79.77
<b>Total financial liabilities</b>	-	<b>2,507.06</b>	-	<b>2,443.59</b>	-	<b>1,654.99</b>

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
<b>At March 31, 2021</b>				
<b>Financial assets</b>				
Non-current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	185.91	185.91
Security deposits	-	-	44.56	44.56
Current financial assets				
Trade receivables	-	-	466.24	466.24
Cash and cash equivalents	-	-	143.81	143.81
Other bank balances	-	-	8.16	8.16
Other current financial assets				
Security deposit	-	-	23.78	23.78
Other loans and advance	-	-	0.00	0.00
Unbilled revenue	-	-	326.79	326.79
<b>Total financial assets</b>			<b>1,199.26</b>	<b>1,199.26</b>
<b>Financial liabilities</b>				
Non current financial liabilities				
Non-current borrowings	-	-	439.55	439.55
Lease liabilities	-	-	578.94	578.94
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Current financial liabilities				
Current borrowings	-	-	101.86	101.86
Lease liabilities	-	-	455.06	455.06
Trade payables	-	-	247.55	247.55
Other current financial liabilities				
Current maturities of long-term debts	-	-	164.27	164.27
Capital creditors	-	-	428.47	428.47
Unearned revenue	-	-	91.36	91.36
<b>Total financial liabilities</b>			<b>2,507.06</b>	<b>2,507.06</b>

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
<b>At March 31, 2020</b>				
<b>Financial assets</b>				
Non-current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	162.19	162.19
Security deposits	-	-	31.26	31.26
Current financial assets				
Trade receivables	-	-	460.88	460.88
Cash and cash equivalents	-	-	6.42	6.42
Other bank balances	-	-	0.15	0.15
Other current financial assets				
Security deposit	-	-	18.62	18.62
Other loans and advance	-	-	11.39	11.39
Unbilled revenue	-	-	156.83	156.83
<b>Total financial assets</b>			<b>847.75</b>	<b>847.75</b>
<b>Financial liabilities</b>				
Non current financial liabilities				
Non-current borrowings	-	-	265.96	265.96
Lease liabilities	-	-	571.07	571.07
Other non-current financial liabilities				
Capital creditors	-	-	290.41	290.41
Current financial liabilities				
Current borrowings	-	-	150.70	150.70
Lease liabilities	-	-	80.86	80.86
Trade payables	-	-	322.76	322.76
Other current financial liabilities				
Current maturities of long-term debts	-	-	90.66	90.66
Capital creditors	-	-	551.97	551.97
Unearned revenue	-	-	119.20	119.20
<b>Total financial liabilities</b>			<b>2,443.59</b>	<b>2,443.59</b>

Financial assets and liabilities measured at amortised cost	Level 1	Level 2	Level 3	Total
<b>At March 31, 2019 (Proforma)</b>				
<b>Financial assets</b>				
Non-current financial assets				
Term deposits with maturity more than 12 months from reporting date	-	-	77.68	77.68
Security deposits	-	-	25.18	25.18
Current financial assets				
Trade receivables	-	-	500.01	500.01
Cash and cash equivalents	-	-	86.24	86.24
Other bank balances	-	-	12.09	12.09
Other current financial assets				
Security deposit	-	-	12.80	12.80
Other loans and advance	-	-	137.69	137.69
Unbilled revenue	-	-	156.29	156.29
<b>Total financial assets</b>			<b>1,007.98</b>	<b>1,007.98</b>
<b>Financial liabilities</b>				
Non current financial liabilities				
Non-current borrowings	-	-	247.83	247.83
Lease liabilities	-	-	515.74	515.74
Other non-current financial liabilities				
Capital creditors	-	-	-	-
Current financial liabilities				
Current borrowings	-	-	-	-
Lease liabilities	-	-	116.47	116.47
Trade payables	-	-	231.91	231.91
Other current financial liabilities				
Current maturities of long-term debts	-	-	-	-
Capital creditors	-	-	153.47	153.47
Unearned revenue	-	-	79.77	79.77
<b>Total financial liabilities</b>			<b>1,345.19</b>	<b>1,345.19</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the group does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

All of the resulting fair value estimates are included in Level 2 except for unlisted preference shares where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

**iii) Fair value of financial assets and liabilities measured at amortised cost**

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

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**36 Financial risk management**

The group's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables (including capital creditors). The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The group is exposed to the following risk from its use of financial instruments:

- a) Credit risk,
- b) Liquidity risk
- c) Market risk
  - i) Foreign currency exchange rate risk
  - ii) Interest rate risk

The group's senior management oversees the management of these risks. The group's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**(a) Credit Risk**

The group is exposed to credit risk as a result of risk of counterparties defaulting on their obligations. The group's exposure to credit risk primarily relates to trade receivables. The group monitors and limits its exposure to credit risks on a reasonable basis. The group's credit risk associated with trade receivables is primarily related to customers not able to settle their obligations as agreed upon. To manage this, the group periodically reviews the financial reliability of its customers, taken into account their financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables.

Financial instruments that are subject to such risks, principally consist of trade receivables, contract assets such as unbilled revenue, security deposits and cash and bank balances. None of the financial instruments of the group results in material concentration of credit risk.

- Trade receivables/contract assets

Customer credit risk is managed by the group subject to the established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, "Financial Instruments" which permits the use of the lifetime expected loss provision for all trade receivables. The group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the group.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

**i) Reconciliation of loss allowance provisions**

Particulars	Amount
<b>Loss allowance as at March 31, 2019 (Proforma)</b>	<b>102.43</b>
Add/(less): changes in loss allowance	
Provision for the year	12.84
<b>Loss allowance as at March 31, 2020</b>	<b>115.27</b>
Add/(less): changes in loss allowance	
Bad debts written off during the year	(11.14)
Provision for the year	46.48
<b>Loss allowance as at March 31, 2021</b>	<b>150.61</b>

**b) Liquidity risk**

The group is exposed to liquidity risk related to its ability to fund its obligations as and when they become due. The group monitors and manages the liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The group has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the group's liquidity risk, the group's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.

The table below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2021	Current	1 year to 3 years	More than 3 years	Total
<b>Non current financial liabilities</b>				
Non-current borrowings	-	307.35	132.20	439.55
Lease liabilities	-	149.08	429.86	578.94
Other non-current financial liabilities	-	-	-	-
Capital creditors	-	-	-	-
<b>Current financial liabilities</b>				
Current borrowings	101.86	-	-	101.86
Lease liabilities	455.06	-	-	455.06
Trade payables	247.55	-	-	247.55
Other current financial liabilities	-	-	-	-
Current maturities of long-term debts	164.27	-	-	164.27
Capital creditors	428.47	-	-	428.47
Unearned revenue	91.36	-	-	91.36
<b>Total financial liabilities</b>	<b>1,488.56</b>	<b>456.42</b>	<b>562.06</b>	<b>2,507.05</b>

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March 31, 2020	Current	1 year to 3 years	More than 3 years	Total
<b>Non current financial liabilities</b>				
Non-current borrowings	-	193.31	72.65	265.96
Lease liabilities	-	353.44	217.63	571.07
Other non-current financial liabilities				
Capital creditors	-	290.41	-	290.41
<b>Current financial liabilities</b>				
Current borrowings	150.70	-	-	150.70
Lease liabilities	80.86	-	-	80.86
Trade payables	322.76	-	-	322.76
Other current financial liabilities	-	-	-	-
Current maturities of long-term debts	90.66	-	-	90.66
Capital creditors	551.97	-	-	551.97
Unearned revenue	119.20	-	-	119.20
<b>Total financial liabilities</b>	<b>1,316.15</b>	<b>837.16</b>	<b>290.28</b>	<b>2,443.58</b>

March 31, 2019 (Proforma)	Current	1 year to 3 years	More than 3 years	Total
<b>Non current financial liabilities</b>				
Non-current borrowings	-	171.42	76.42	247.84
Lease liabilities	-	400.21	115.53	515.74
<b>Current financial liabilities</b>				
Current borrowings	116.47	-	-	116.47
Lease liabilities	36.83	-	-	36.83
Trade payables	231.91	-	-	231.91
Other current financial liabilities				
Current maturities of long-term debts	153.47	-	-	153.47
Capital creditors	272.97	-	-	272.97
Unearned revenue	79.77	-	-	79.77
<b>Total financial liabilities</b>	<b>891.42</b>	<b>571.63</b>	<b>191.95</b>	<b>1,655.00</b>

**(c) Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**(i) Foreign currency exchange rate risk**

The group deals with receivables from customers and payables to vendors. It is therefore exposed to foreign exchange risk associated with exchange rate movements. The foreign exchange rate fluctuations do not have any material impact on the profitability of the group as such exports and foreign currency expenditure is negligible in totality.

There are no forward exchange contracts which have been entered into by the group as on the reporting dates.

**Details of foreign currency exposures that are not hedged by a derivatives instrument or otherwise:**

Particulars	March 31, 2021	March 31, 2020	March 31, 2019 Proforma
<b>Receivables (asset)</b>			
USD	0.87	1.72	0.04
GBP	0.08	-	0.29
EUR	-	-	0.00
AED	0.33	0.03	-
<b>Payables (liability)</b>			
USD	0.23	0.55	0.01
AED	0.02	0.05	0.00
SGD	-	0.01	-
<b>Loan (asset)</b>			
USD	0.03	0.03	-
AED	5.44	1.57	-
GBP	-	0.12	-

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**Foreign currency sensitivity**

The group's currency exposures in respect of monetary items at March 31, 2021, March 31, 2020 and April 01, 2019 that result in net currency gains and losses in the income statement and equity arise principally from movement in above exchange rates.

The following tables demonstrate the sensitivity to a reasonably possible change in above exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities . The group's exposure to foreign currency changes for all other currencies is not material.

By 10%	Impact to Statement of Profit and Loss - Expenses/(income)					
	March 31, 2021		March 31, 2020		March 31, 2019 Proforma	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Change in USD rate	(4.97)	4.97	(9.03)	9.03	(0.19)	0.19
Change in GBP rate	(0.76)	0.76	(1.16)	1.16	(2.58)	2.58
Change in EUR rate	-	-	-	-	0.00	(0.00)
Change in AED rate	(11.77)	11.77	(3.20)	3.20	0.01	(0.01)
Change in SGD rate	-	-	0.03	(0.03)	-	-

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates.

**Interest rate exposure: The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
Interest on variable rate borrowings	46.46	38.04	24.69

**Sensitivity analysis**

**Profit or loss to higher/lower interest rate expense from borrowings as a result of changes in interest rates**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma
<b>If interest rates:</b>			
Increase by 1%	0.46	0.38	0.25
Decrease by 1%	(0.46)	(0.38)	(0.25)

### 37 Capital Management

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Debt*	705.68	507.32	517.76
Cash and bank balances	(143.81)	(6.42)	(86.24)
<b>Net debt</b>	<b>561.87</b>	<b>500.90</b>	<b>431.52</b>
<b>Shareholders' Funds</b>			
Equity Share Capital	52.22	52.22	52.22
Reserves and Surplus	1,753.04	1,398.73	986.69
<b>Total Equity</b>	<b>1,805.26</b>	<b>1,450.95</b>	<b>1,038.91</b>
<b>Net debt to equity ratio</b>	<b>0.31</b>	<b>0.35</b>	<b>0.42</b>

\* includes current maturity of long term borrowing

### 38 Micro, Small and Medium Enterprises Development Act, 2006

As per the information available, the management has not received any information from their supplier confirming that they are covered under Micro, Small and Medium Enterprises Development Act, 2006. In Management's view, the impact of any interest that may be payable (in accordance with the provisions of the Micro, Small and Medium Enterprise Development Act, 2006) on delayed payments to its micro or small suppliers is not expected to be significant.

### 39 Segment Information

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The Company has identified business segment as its primary segment. In accordance with Indian Accounting Standard 108 - Segment Reporting, the Company has determined its business segment as "design, development, installation and servicing of information technology related resource". Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors based in India regarded as the Chief Operating Decision Maker ("CODM"). Since the entire Company's business is from Information technology related resource there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as reflected in the Financial Statements as at and for the year ended March 31, 2021.

The secondary segment by geographical segments is provided below based on location of customers:

The Company has identified India and Rest of the world as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets located in India.

Geographical Segment	Sales and Services			Total Assets		
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 Proforma	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
India	1,581.15	1,418.41	1,328.56	3,314.83	3,284.63	2,260.62
Outside India	138.13	167.32	97.85	294.52	196.91	28.26
<b>Total</b>	<b>1,719.28</b>	<b>1,585.73</b>	<b>1,426.41</b>	<b>3,609.35</b>	<b>3,481.54</b>	<b>2,288.88</b>

#### Information about major customers:

There is no single customer which contributes more than 10% to the revenue of the financial year ended on March 31,2021, March 31, 2020 and March 31,2019

### 40 Events after the reporting period

- The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company and consequently the name of the Company has changed to "ESDS Software Solution Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on July , 8th 2021.
- The Board of Directors and shareholders of the Holding company at their meeting held on 26th July 2021 by way of special resolution approved stock split of one equity share having face value of Rs 10 each into 10 equity shares having face value of Rs 1 each. Further in addition to the aforesaid the members agreed to increase the authorised share capital and altered capital clause of Memorandum of Association.

Number of Equity Shares (as at 31st March 2021)	5,222,100
Number of Equity Shares post stock split (1 equity share into 10 equity shares)	52,221,000
Authorised Share capital (Rs) (as at 31st March 2021)	435,000,000
Authorised Share capital (Rs) (post 31st March 2021)	445,000,000

Note: The impact of above mentioned stock split have been considered retrospectively for the purpose of calculation of basic and diluted earnings per share for all periods presented.

#### 41 Interests in other entities

##### 41.a Subsidiaries

The group's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/Country of Incorporation	Ownership interest held by the group			Ownership interest held by the non controlling interest		
		As at March 31,2021	As at March 31,2020	As at March 31,2019 Proforma	As at March 31,2021	As at March 31,2020	As at March 31,2019 Proforma
ESDS Internet Services Private Limited	India	50%	50%	50%	50%	50%	50%
ESDS Cloud FZ LLC*	UAE	100%	100%	-	-	-	-
Spoohub Solutions Private Limited	India	100%	-	-	-	-	-
ESDS Global Software Solution Inc*	USA	100%	100%	-	-	-	-

\*Subsidiary Company having 31st December as reporting date.

##### 41.b Non controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	ESDS Internet Services Private Limited		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Current assets	24.49	20.52	163.84
Current liabilities	52.29	50.68	194.84
<b>Net current assets</b>	<b>(27.80)</b>	<b>(30.16)</b>	<b>(31.00)</b>
Non-current assets	453.33	470.64	478.23
Non-current liabilities	435.01	452.29	463.60
<b>Net non-current assets</b>	<b>18.32</b>	<b>18.35</b>	<b>14.63</b>
<b>Net assets</b>	<b>(9.48)</b>	<b>(11.81)</b>	<b>(16.37)</b>
<b>Accumulated NCI</b>	<b>(4.74)</b>	<b>(5.90)</b>	<b>(8.19)</b>

Summarised statement of profit and loss	ESDS Internet Services Private Limited		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
Revenue	26.15	24.29	24.16
Profit for the year	2.33	4.56	8.20
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>2.33</b>	<b>4.56</b>	<b>8.20</b>
Profit allocated to NCI	1.16	2.28	4.10

Summarised cash flows	ESDS Internet Services Private Limited		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash flows from operating activities	(0.04)	(12.90)	(157.56)
Cash flows from investing activities	0.19	4.21	9.65
Cash flows from financing activities	(0.01)	(0.03)	157.30
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>0.14</b>	<b>(8.72)</b>	<b>9.39</b>



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**42 Additional Disclosure by Schedule III**

Name of the entities in the group	Parent		Subsidiaries											
			Indian				Foreign						Total	
	ESDS Software Solution Limited		ESDS Internet Services Private Limited		Spochub Solutions Private Limited		ESDS Cloud FZ LLC		ESDS Global Software Solution Inc					
Particulars	As % of consolidated	Amount*	As % of consolidated	Amount*	As % of consolidated	Amount*	As % of consolidated	Amount*	As % of consolidated	Amount*	As % of consolidated	Amount*		
<b>Net assets (total assets minus total liabilities)</b>														
March 31, 2021	104.75	1,967.99	0.06	1.19	-	-	(4.24)	(79.59)	(0.58)	(10.86)	100.00	1,878.73		
March 31, 2020	104.06	1,582.67	0.01	0.21	-	-	(3.34)	(50.84)	(0.73)	(11.16)	100.00	1,520.88		
March 31, 2019 (Proforma)	100.21	1,047.19	(0.21)	(2.19)	-	-	-	-	-	-	100.00	1,045.00		
<b>Share in profit or (loss)</b>														
March 31, 2021	162.92	87.10	1.46	0.78	-	-	(63.90)	(34.16)	(0.48)	(0.26)	100.00	53.46		
March 31, 2020	1,010.45	64.13	33.97	2.16	-	-	(770.44)	(48.90)	(173.98)	(11.04)	100.00	6.35		
March 31, 2019 (Proforma)	96.00	124.95	4.00	5.21	-	-	-	-	-	-	100.00	130.15		
<b>Share in other comprehensive income</b>														
March 31, 2021	100.00	0.23	-	-	-	-	-	-	-	-	100.00	0.23		
March 31, 2020	100.00	(4.99)	-	-	-	-	-	-	-	-	100.00	(4.99)		
March 31, 2019 (Proforma)	100.00	7.97	-	-	-	-	-	-	-	-	100.00	7.97		
<b>Share in total comprehensive income</b>														
March 31, 2021	162.66	87.32	1.45	0.78	-	-	(63.63)	(34.16)	(0.48)	(0.26)	100.00	53.68		
March 31, 2020	3,748.56	59.14	150.61	2.38	-	-	(3,099.28)	(48.90)	(699.89)	(11.04)	100.00	1.58		
March 31, 2019 (Proforma)	96.00	124.96	4.00	5.21	-	-	-	-	-	-	100.00	130.16		

\* Above disclosure contains figures prior to intra group transactions

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**43 First-time adoption**

**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

As stated in note 2, the restated consolidated financial statements for the year ended March 31, 2021 are the first annual consolidated financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, the Group has prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2021, together with the comparative period data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at April 1, 2019, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP consolidated financial statements, including the balance sheet as at 1 April 2019 and the consolidated statement of profit and loss for the year ended March 31, 2020.

This note explains exemptions availed by the Group in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended March 31, 2020.

a) Deemed cost: Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets. Accordingly, the Group has elected to measure its property, plant and equipment and Intangible assets at their previous GAAP carrying value.

b) Leases: Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind AS contains a lease in accordance with Ind AS 116, on the basis of facts and circumstances existing at that date. The standard provides an option to apply Ind AS 116 on transition date either using full retrospective method or modified retrospective method along with some available practical expedients Accordingly, the Group has elected to follow full retrospective method for transition to Ind AS 116.

c) Revenue: The Group has applied Ind AS 115 'Revenue from contracts with customers' to contracts that are not completed on transition date. Further, the Group has applied full retrospective approach on transition date subject to some practical expedients as prescribed by the standard.

d) Business Combinations Ind AS 101 allows a first-time adopter to elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs). Accordingly, the Group has elected to use this exemption and not restate the business combination taken place prior to the transition date.

**Mandatory exceptions:**

a) Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2019 and March 31, 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.
- Incremental borrowing rate for measurement of lease liabilities and corresponding right of use assets.
- Determination of the discounted value for financial instruments carried at amortised cost.

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification and measurement of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition.

c) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

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**43.I. Reconciliations between Ind AS and previous GAAP for equity and profit or loss are given below:**

Particulars	Note	Profit Reconciliation		Equity Reconciliation	
		Year Ended March 31, 2020	Year Ended March 31, 2019 Proforma	As at March 31, 2020	As at March 31, 2019 Proforma
Profit after tax/ Equity as per previous GAAP		60.55	209.28	1,570.31	1,102.27
<b>Ind AS Adjustments [Increase in Equity/(Decrease in Equity)]:</b>					
a) Actuarial gain/ loss in respect of employee benefits schemes transferred to other comprehensive income (Net of Tax)	i	4.99	0.02	4.99	0.02
b) Ind AS 116 impact	ii	(4.71)		(4.71)	-
c) Ind AS 109 impact	iii/vii	(18.05)	(73.96)	(89.61)	(73.96)
d) Ind As 115 impact	iv	(66.00)	(26.86)	(66.00)	(26.86)
e) Ind As 23 impact	v	11.54		11.54	-
f) Fair valuation as deemed cost for property, plant and equipment (refer note 3)	vii	-		66.40	-
g) Deferred tax impact	viii	21.03	29.63	16.07	29.25
<b>Profit after tax/ Equity as per Ind AS</b>		<b>9.35</b>	<b>138.11</b>	<b>1,508.99</b>	<b>1,030.72</b>
Other comprehensive income -Remeasurement of defined benefit obligation (net of tax)		(4.99)	0.02		
<b>Total Other comprehensive income as per Ind AS</b>		<b>4.36</b>	<b>138.13</b>		

**II. Reconciliation of cash flow for year ended March 31, 2020:**

Particulars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS
i) Net cash flow from operating activities		317.25	211.30	528.70
ii) Net cash flow from investing activities		(722.16)	(116.11)	(838.28)
iii) Net cash flow from financing activities		325.08	(95.19)	229.89
iv) Net increase/(decrease) in cash and cash equivalents		(79.83)	(0.00)	(79.69)
v) Opening Cash and cash equivalents		86.25	(0.00)	86.25
vi) Effect of exchange rate change on the balance of cash held in foreign currency				(0.14)
<b>vii) Closing Cash and cash equivalents</b>		<b>6.42</b>	<b>0.00</b>	<b>6.42</b>

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)****Notes to the Restated Consolidated Financial Information***(All amounts are in Rupees Millions, unless otherwise stated)***43.I.a Notes to first-time adoption****i) Remeasurements of post-employment benefit obligations**

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit & Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the assets ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognised in retained earning through Other Comprehensive Income (OCI). (refer note no. 34)

**ii) Leases**

Under Ind AS, all lease contracts, with limited exceptions for short term and low value leases, are recognized in the consolidated financial statements by way of right-of-use assets and corresponding lease liabilities. This resulted in recognition of “Right-of-Use asset” (ROU) of Rs. 552.56 millions and a corresponding “lease liability” of Rs 552.56 millions. The rental expenses recognised in statement of profit and loss for the year ended 31 March 2020 under previous GAAP has been replaced by the recognition of depreciation expense on ROU asset and interest expense on lease liability. The related impact on statement of Profit and Loss is as given below :

Particulars	Statement of profit and loss	Change in Equity	Statement of profit and loss	Change in Equity
	For the year ended March 31, 2020	As at March 31,2020	For the year ended March 31, 2019	As at March 31,2019
Depreciation and amortisation expenses	83.30	83.30	14.22	14.22
Finance Cost	58.54	58.54	50.13	50.13
Other expenses	(137.13)	(137.13)	(64.35)	(64.35)
Total	4.71	4.71	-	-

**iii) Valuation of compound financial instruments**

Under the previous GAAP, compound financial instruments were classified under shareholders fund at par value. Under Ind AS, these instruments are required to be reclassified into equity and liability component based on discounted cashflow method. the liability component of these instruments are required to be measured at fair value. The resulting fair value change of the liability component during the year has been recognized in statement of profit and loss.

**iv) Contract with customers**

The Group has elected not restate completed contracts per previous GAAP.As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognized once milestones were achieved. Under Ind AS 115, revenue is recognized when entity satisfies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence, revenue with respect to certain contracts is derecognized on the transition.

**v) Borrowing cost**

The group has capitalised the borrowing cost as per Ind AS 23.

**vi) Property, plant and equipment**

All items of property, plant and equipment, the group has elected to continue with the carrying value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and have used that as deemed costs.

**vii) Expected credit loss**

The group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the group.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

**viii) Deferred tax**

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**

**Notes to the Restated Consolidated Financial Information**

(All amounts are in Rupees Millions, unless otherwise stated)

**43 b. Restatement adjustments made to the Equity and net profit of the audited Consolidated financial statements of the Group:**

Particulars	Note	Adjustments to Profit			Adjustments to equity		
		Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019 Proforma	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 Proforma
<b>Net Profit / Total other comprehensive income after tax as per Audited Consolidated Financial Statements / Total Equity as per Audited Consolidated Financial Statements</b>		<b>53.92</b>	<b>60.55</b>	<b>209.28</b>	<b>1,866.05</b>	<b>1,570.31</b>	<b>1,102.27</b>
Adjustment: Material restatement Adjustment:							
(i) Audit qualifications	<b>ii</b>	-	-	-	-	-	-
(ii) Adjustment for conversion from Indian GAAP to Ind AS	<b>v</b>	-	(77.22)	(100.78)	-	(77.39)	(100.78)
(iii) Adjustments due to prior period items / other adjustments	<b>vi</b>	-	-	-	-	-	-
(iv) Deferred tax impact on adjustments in (i), (ii) & (iii) as applicable		-	21.02	29.63	-	16.07	29.23
Total impact of adjustments (i + ii + iii + iv)		-	<b>(56.19)</b>	<b>(71.15)</b>	-	<b>(61.32)</b>	<b>(71.55)</b>
<b>Net Profit / Total other comprehensive income after tax as per Restated Consolidated Financial Information / Total equity as per Restated Consolidated Financial Information</b>		<b>53.92</b>	<b>4.36</b>	<b>138.13</b>	<b>1,866.05</b>	<b>1,508.99</b>	<b>1,030.72</b>

**43 b. Notes to adjustments**

- i) Ind AS 116 - Leases has been notified and effective for financial statements from April 1, 2019 which prescribes the accounting of the lease contracts entered in the capacity of the lessee and a lessor. The Group has applied Ind AS 116 for preparing the audited consolidated financial statements for the period beginning from April 1, 2019. For the purpose of preparing restated consolidated financial information, Ind AS 116 has been applied with effect from April 1, 2018. Effective April 1, 2018, the Group has recognised lease liability measured at an amount equal to present value of remaining lease payments, discounted using the lessee's incremental borrowing rate and corresponding Right of Use asset at an amount equivalent to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before April 1, 2018. ( Refer note no. **ii** - Notes to first time adoption)
- ii) **Audit qualifications** - There are no audit qualifications in auditor's report for the financial years ended March 31, 2021; March 31, 2020 and March 31, 2019.
- iii) During the year ended March 31, 2021, the Group has reassessed the basis of segment reporting on account of change in business strategy and the consequent change in the way CODM the reviews results of operations. The segment reporting for years ended March 31, 2020 and 2019 has also been restated for this change in segment reporting. Also refer Note 39 of Restated Consolidated Financial Information.
- iv) **Material regrouping/reclassification** - Appropriate regrouping/reclassification have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Consolidated Financial Statements for the year ended March 31, 2021 prepared in accordance with Schedule III (Division II) of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.
- v) **Adjustment for conversion from Indian GAAP to Ind AS**  
The Audited financial statements of the Group as at the and the year ended 31 March, 2020 and 31 March, 2019 (Proforma) were prepared in accordance with accounting principles generally accepted in India including the Companies Accounting Standard Rules,2006 (as amended) specified under Section 133 of the Act, Companies (Accounts) Rules, 2014 (as amended). The same have been converted into Ind AS to conform with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules 2015,as amended).
- vi) **Adjustments due to prior period items / other adjustments** : There are no adjustments due to prior period items or any other adjustments.

**ESDS Software Solution Limited ( formerly known as ESDS Software Solution Private Limited)**

**Notes to the Restated Consolidated Financial Information**

*(All amounts are in Rupees Millions, unless otherwise stated)*

**44** Impact of COVID 19:- The Novel Coronavirus (COVID-19), a Global Pandemic, is rapidly spreading throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Company. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures. The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables & contract assets up to the date of approval of these financial results. The financial impact due to lockdown and other restriction imposed by the government and condition related to COVID-19 pandemic situation is not expected to be significant on the financial results. In this assessment, the Company has performed sensitivity analysis on the key assumptions used. However the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any significant impact on the Company's financial position.

**45** Previous years figures have been regrouped / reclassified wherever necessary to conform to current years presentation.

**For Shah Khandelwal Jain & Associates**

ICAI Firm Registration Number: 142740W

Chartered Accountants

**For and on behalf of the Board of Directors**

**ESDS Software Solution Limited**

**(formerly known as ESDS Software Solution Private Limited)**

CIN : U72200MH2005PLC155433

**Ashish Khandelwal**

Partner

Membership No.: 049278

Place : Pune

Date : August 12, 2021

**Piyush Somani**

Chairman and Managing Director

DIN :02357582

Place: Nashik

Date : August 12, 2021

**Komal Somani**

Whole Time Director

DIN: 08477154

Place: Nashik

Date : August 12, 2021

**Sandeep Mehta**

Chief Financial Officer

Place: Nashik

Date : August 12, 2021

## OTHER FINANCIAL INFORMATION

### Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at/for the Fiscals ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Basic Earnings / (loss) per Equity Share (in ₹)	1.03	0.04	2.49
Diluted Earnings / (loss) per Equity Share (in ₹)	0.96	0.04	2.39
Return on net worth (in %)	2.99	0.14	12.53
Net asset value per Equity Share (in ₹)	34.57	27.74	19.89
EBITDA (₹ in million)	638.05	517.23	471.46

Notes:

(1) The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

Basic and Diluted Earnings per share (₹)	=	Net profit/(loss) as restated, attributable to Shareholders Weighted average number of Equity Shares outstanding during the year
Return on Net Worth (%)	=	<u>Restated net profit after tax for the year attributable to the owners of the Company</u> Restated equity attributable to owners of the Company excluding the reserves created out of revaluation of assets.
Net asset value per Equity Share	=	<u>Restated equity attributable to owners of the Company excluding reserves created out of revaluation of assets.</u> Number of equity shares outstanding during the year post sub-division
Net Assets	=	Total Assets minus total liabilities (excluding revaluation reserves)
EBITDA	=	Restated profit/(loss) for the respective Fiscal after exceptional item) + tax expenses + finance costs + depreciation and amortisation

(2) Pursuant to a resolution of our shareholders dated July 26, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 5,222,100 equity shares of ₹10 each to 52,221,000 Equity Shares of ₹1 each. All per share data has been calculated after giving effect to such sub-division.

In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of the split stated above.

(3) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the 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 year. This has been adjusted for all periods presented by giving effect to the subdivision subsequent to the balance sheet date.

(4) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(5) The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.

(6) "EBITDA" means earnings before interest, tax, depreciation and amortization. It has been calculated as follows: profit before tax + finance cost + depreciation and amortization expense.

### Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2021, 2020 and 2019 and one of our Subsidiaries, ESDS Internet Services Private Limited (collectively, the "Audited Financial Statements") are available on our website at <https://www.esds.co.in/investors/index>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.



## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' for as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, and as reported in the Restated Consolidated Financial Statements, see "*Restated Consolidated Financial Statements – 33. Related Party Transactions*" at page 243.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, on the basis of our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "Management's Discussion and Analysis of Financial Position and Results of Operations", "Financial Information" and "Risk Factors" on pages 265, 188 and 28, respectively.

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the proposed Offer*
<b>Total Borrowings</b>		
Current borrowings	101.86	[●]
Non-current borrowings (including current maturities)	603.82	[●]
<b>Total Borrowings</b>	<b>705.68</b>	<b>[●]</b>
<b>Total Equity</b>		
Equity share capital <sup>#</sup>	52.22	[●]
Preference share capital <sup>#</sup>	0.00	[●]
Other Equity	1,818.56	[●]
<b>Total Equity</b>	<b>1,870.78</b>	<b>[●]</b>
<b>Total Borrowings/ Total Equity</b>	<b>0.38</b>	<b>[●]</b>
<b>Total Non-current borrowings (including current maturities) / Total Equity</b>	<b>0.32</b>	<b>[●]</b>

\* The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

# Pursuant to a resolution of our shareholders dated July 26, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into 10 equity shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 5,222,100 equity shares of ₹10 each to 52,221,000 Equity Shares of ₹ 1 each. Subsequently, our Company has on August 19, 2021, allotted of 673,591 Class C CCPS to South Asia Growth Fund II Holdings, LLC and 4,339 Class C CCPS to South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited). Such allotment of Class C CCPS has not been given effect to in the calculation of diluted EPS.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Statements on page 188.*

*This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 20. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations" on pages 28 and 267, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2021, 2020 and 2019 included herein is derived from the Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus, which have been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Restated Consolidated Financial Statements" on page 188.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "India Cloud Services and Data Centre - 2020 - 2025" published in August 2021, prepared and released by Ken Research, which has been commissioned and paid for by our Company (the "**Ken Research Report**"). Unless otherwise indicated, all industry and other related information mentioned in this section is derived from the Ken Research Report. For more information, see "Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" on page 44. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 17.*

### OVERVIEW

We are amongst India's leading managed cloud service and end to end multi-cloud requirements provider (Source: Ken Research Report). We have built a comprehensive cloud platform which our customers rely on, consisting of cloud infrastructure, well-architected solutions aimed at reducing cost and providing safety, flexibility, scalability and reliability to enterprises compared with the traditional on-premise IT models. As part of our portfolio, we offer:

- (c) Cloud Computing Infrastructure as a Service (IaaS) which includes our patented vertically auto scalable cloud technology platform, "eNlight Cloud";
- (d) Software as a Service (SaaS) and Managed Services, which include, (i) SaaS which is a software distribution model wherein we host applications on cloud platforms and make them available to end users on periodic subscription model, allowing clients to develop, run and manage applications, and (ii) Managed Services, through which we offer several services enabling companies to optimise and modernise their cloud environment, secure their data and migrate their legacy data on cloud environments, and fully manage it on a day to day basis.

We believe such a diversified portfolio positions us as a "one stop shop" for our customer's cloud adoption. We also serve our customers with differentiated billing models in India such as "pay-per-consumption", "pay-per-branch" (for BFSI customers) and "pay-per-transaction", which we believe helps in reducing our clients' "Total Cost of Operation" (TCO). We operate our business on an asset light model, which comprises of ownership of computing hardware assets only, thereby allowing quicker scalability and reduced capital cost of operations. We offer our products across diversified industries that include government ministries & companies and corporate entities across sectors such as BFSI, manufacturing, IT and ITES, telecom, real estate, pharmaceuticals, retail and education and in several countries across the APAC region, Europe, Middle East, the Americas and Africa.

Our comprehensive IaaS cloud computing services portfolio includes public cloud, private cloud, virtual private cloud, hybrid cloud and various community cloud offerings. Our indigenously developed vertical autoscaling technology, which powers our IaaS “eNlight Cloud”, is patented in the United Kingdom and the United States of America. The eNlight Cloud adheres to international security standards and follows the concept of layered security to provide high level of data protection over hypervisor platforms (Source: Ken Research Report). A hypervisor is a kind of emulator - a software, hardware or firmware that creates and runs virtual machines and allows one host computer to support multiple guest virtual machines by virtually sharing its resources, such as memory and processing (Source: Ken Research Report). Our cloud customers are supported by our round the clock services team. For details of total addressable market, please see “*Industry Overview*” on page 103.

As part of our SaaS offerings, we provide software products and applications, hosted on our cloud platform, on annual, semi-annual, monthly or quarterly subscription model, which allow our clients to develop, run and manage applications and services. Further, we provide both in house and third party developed applications on a digital marketplace developed by us, namely “Spochub”. Spochub enables us and our software vendors to offer their solutions with custom packages to enterprise customers. For details of total addressable market, please see “*Industry Overview*” on page 103.

Our SaaS offerings include, among others, a comprehensive data center management and monitoring suite, vulnerability scanners, which are programs designed to assess computers, networks or applications for known weaknesses, web access firewalls, virtual private network (VPN) – for secure connectivity. For further details, see “– *SaaS Portfolio and Managed Services*” on page 142.

We collaborate with Governmental and public sector organisations to offer SaaS offerings and data center solutions, which we term as “G-SaaS”. As part of G-SaaS, we provide services that include document and data migration to cloud, software offerings on Spochub, data center management and back-up servers for disaster management. Smart city applications are software applications that help the Government to optimize their expenses, provide deployment of software services and ensure data confidentiality. Our G-SaaS collaborations include (a) partnering with a Government energy service company (ESCO) for implementing a smart metering project around various states in India, (b) collaborating on e-governance projects of certain ministries of the Government, (c) collaboration with several smart cities in India, to who we provide smart city solutions by hosting their data on our cloud platform.

Our Managed Services portfolio includes a diverse range of services to our customers, to complement day to day data management of IT services and cloud migration. As part of our managed services, we offer 24x7 IT support, data back-up and recovery, migration services database administration services, SAP Basis, SAP HANA administration, security operations center (SOC) services, and disaster recovery services. For further details on managed services see “– *SaaS Portfolio and Managed Services*” on page 142. For details of total addressable market, please see “*Industry Overview*” on page 103.

We operate our business through three data centers in India, one each in Navi Mumbai, Nashik and Bengaluru. Our data centers cover, in aggregate over, 50,000 sq. feet across the three locations in India. Our data centers are connected on a 10 Gbps backbone network (backbone network is a part of a computer network which interconnects data center locations), providing a secure path for the exchange of information between different local area networks (LANs) or subnetworks) and is backed up with state-of-the-art disaster recovery services (Source: Ken Research Report). During the last three fiscal years, all our data centers, during their period of operation, have maintained an uptime of at least 99.995%. Our data centers have been granted “Tier III” status by QSA International Limited and have received Green IT Infrastructure Award at the Maharashtra IT Awards, 2010 held by the Department of Industries, Government of Maharashtra. For further details of our data centers, see “– *Data Centers*” on page 145.

We offer our products across industries and a diversified customer base, which include clients from BFSI, healthcare, education, energy and utilities, real estate, IT and ITES, agriculture, manufacturing, entertainment and media and government departments. We believe our diversified customer base allows us to insulate ourselves from sector fluctuations and industry concentration risks. We believe we have been able to specifically service co-operative banks, with our unique “pay-per-branch” billing model, which allows a bank to pay a fixed amount per month per branch and we manage their core banking software hosting and other managed services, together with our BFSI technology partners.

As part of our business, we also adopt a “go-to-market” strategy, by collaborating with other companies to deliver customers with bundled solutions. Our partners include Tech Mahindra Limited, Infracore Technologies Limited,

NTT Data Business Solutions Private Limited and Larsen & Toubro Limited. Such collaboration allows us to benefit from our partners' goodwill, have access to their technologies, collaborate on innovation and scale our offerings. We have collaborated with such partners on smart city projects, offer core banking solutions, host SAP HANA on our cloud, Government digitization initiatives and other cloud based services.

We attribute our growth to the strength and experience of our senior management team. Piyush Prakashchandra Somani, who is our Managing Director and Chairman, has over 16 years of experience in the information technology sector. He has been instrumental in expanding the operations of our Company in several international markets. Our Chief Growth Officer, Rajeev Papneja, has experience in the field of technology and has been recognised as one of the "Eminent 100 CIO's of India" award at the 18th Infotech Forum 2020. We were ranked 28<sup>th</sup> amongst India's Best Companies to Work for in 2020, by Great Place to Work® Institute India and the Economic Times and have consistently been ranked amongst the best places to work by Great Place to Work® Institute India during the last six years across various categories.

The following table sets forth certain key financial and operational metrics for our Company as at/for the periods indicated:

Metrics	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total Income (in ₹ million)	1,741.01	1,605.34	1,375.41
EBITDA	638.05	517.23	471.46
EBITDA Margin (%)	36.65	32.22	34.28
Revenue from long term contracts <sup>(1)</sup> (as a % of the total revenue for that respective year)	92.88	84.38	88.53
Revenue from existing customers (as a % of the total revenue for that respective year)	88.53	74.53	69.22
New customers added during the period (nos.)	406	318	297
Revenue from top 20 customers (as a % of the total revenue for that respective year)	50.90	53.63	59.87
Average revenue per customer (in ₹ million) <sup>(2)</sup>	24.39	23.40	20.96
Revenue from IaaS (as a % of the total revenue for that respective year)	51.15	52.99	54.90
Revenue from SaaS & Managed Services (as a % of the total revenue for that respective year)	48.85	47.01	45.10

(3) Long term contracts refer to contracts of more than 12 months duration (including business from customers continuing for more than 12 months after contract renewals)

(4) Calculated for the top 50 customers

## PRESENTATION OF FINANCIAL INFORMATION

The Restated Consolidated Financial Statements have been prepared from our audited consolidated financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, which are prepared in accordance with Ind AS, as specified under the Section 133 of the Companies Act, Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. Further, we have adopted Ind AS from Fiscal 2021. In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is April 1, 2019. The Restated Consolidated Financial Statements for Fiscal 2019 have been prepared on a proforma basis, in accordance with applicable guidance note. For further details, please see "Restated Consolidated Financial Statements" on page 188.

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, prospects, results of operations, cash flow and financial condition are affected by a number of factors, including key factors:

### *Our ability to ensure continuous and uninterrupted service to our customers*

As a company engaged in the business of providing managed cloud services, continuous and uninterrupted supply of our services is a critical component of our business. Our customers require continuous access to their data, on demand access to increased cloud space, cloud security and round the clock service assistance. We cater our services through our three data centers in India, one each in Navi Mumbai, Nashik and Bengaluru, which during

the last three fiscal years have maintained an uptime of at least 99.995%. Our data centers are also connected on a 10 GBPS backbone network and is backed up with state-of-the-art disaster recovery services (Source: Ken Research Report). Further, our patented vertical auto scaling cloud technology allows us to scale, in case of additional demand. Vertical autoscaling allows (a) efficient handling of unexpected loads, (b) scales up RAM, CPU, bandwidth, etc. (c) effective use of virtualization technology (d) quick and easy way to scale resources and (e) maximum uptime and performance with auto-scalability. Moreover, our eNlight cloud adheres to international security standards and follows the concept of layered security to provide high level of data protection, in order to reduce the risk of data security breaches (Source: Ken Research Report). We also serve our cloud and managed services customers with round the clock IT support as well as data back-up and recovery. Our inability to ensure continuous and uninterrupted services directly affects our revenues as any downtime permits our customers to deduct a significant component of the payments due. It also has the potential to adversely affect our reputation and business prospects.

### ***Our relationship with technology and business collaboration partners***

As part of our business, we collaborate with technology and business collaboration partners. Such partnerships allow us to collaborate on large contracts, have access to our partners' clientele, benefit from their goodwill, capitalise on shared technologies and scale our offerings. For instance, we have partnered with STPI to provide digital services, SaaS services and digital platforms to Government entities on a subscription-based payment model, collaborated with Larsen & Toubro Limited and Tech Mahindra Limited, smart city projects, offer core banking solutions, host SAP HANA on our cloud, Government digitization initiatives and other cloud based services, formed consortiums with entities to cater to clients in the banking sector, wherein cloud services have been outsourced to us, etc. Such partnerships apart, we have also collaborated with various companies, to collaborate on disaster recovery services, and on software partnerships. Over the years, we have increased our partnership base and propose to continue to scale such collaborative efforts. For Fiscals 2021, 2020 and 2019, our revenue from such partnerships constituted 19.20%, 14.03% and 5.77% of our consolidated revenues for such periods, respectively. For further details, see "*Business – Strategies*" on page 139.

### ***Relationship with our customers and customer acquisition***

A large part of our success is attributable to the relationship we maintain with our customers. Over the years, we have been able to consistently increase our client base. During Fiscals 2021, 2020 and 2019, we provided our products and services to 1,388, 1,317 and 1,162 customers, respectively. We believe that such increase is due to our ability to provide innovative billing solutions such as "pay-per-consumption", "pay-per-branch" and "pay-per-transaction". We believe, the "pay-per-consumption" billing model has helped our customers reduce their TCO and has helped us to increase our operational efficiency to compete with hyperscalers. Another reason that has allowed us to increase our clientele is our ability to provide "end-to-end" multi-cloud services, which allows us to up-sell and cross-sell our products and services and thereby increase our clientele across product verticals. Further, pursuant to our partnership with entities such as Larsen & Toubro Limited and Tech Mahindra Limited, we believe that we are in position to cross sell and up sell our products to the end customer. Moreover, the development and introduction of "SPOCHUB" has further augmented our customer base. Such increase in the number of customers is essential for the growth of our business. Our key customers include SIDBI, Tata Capital Financial Services Limited, Vadilal Industries Limited, EPL Limited, MIDC, amongst others. Our business relationship with several key customers extends to over several years. Revenue from our top 10 customers contributed 36.35%, 35.57%, and 44.73% of our revenue from operations for Fiscals 2021, 2020 and 2019. Our ability to maintain close relationships with these and other major clients is essential to the growth and profitability of our business.

### ***Research and development initiatives***

R&D has played a key role in our corporate growth and remains a focus area in our business. We have invested significant time and effort on R&D initiatives. We are one of the few datacenter and cloud services provider who has its own R&D team (Source: Ken Research Report). For Fiscals 2021, 2020 and 2019, our R&D expenses, comprised of 5.34%, 4.98% and 2.40% of our total revenue generated during the respective periods. We were one of the first companies to offer a true 'MakeIn India' cloud in the nation in 2011 when the nation only knew virtualization (Source: Ken Research Report). Through our R&D initiatives, we have developed our vertically auto scalable cloud, which is patented in the USA and the UK. For details of other products developed in-house by our R&D team, please see "*Business – Research and Development*" on page 145. Presently, we are working on developing an operating system combined with a hypervisor called "eNlight OS". As of June 30, 2021, our R&D team comprises of 177 team members. We propose to continue to focus on our R&D initiatives

going forward, which is a significant factor that affects our results.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The discussion and analysis of our financial condition and results of operations is based on the Restated Consolidated Financial Statements. The preparation of the Restated Consolidated Financial Statements require us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and accompanying disclosure of contingent liabilities and other attributes of our income, expenditure and cash flows. Our results of operations and financial condition are sensitive to accounting methods, assumptions and estimates that underlie the preparation of our financial statements. We evaluate these estimates on an on-going basis. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount values of assets and liabilities that are not readily apparent from other sources. For details of significant accounting policies followed by us while preparing our financial statements, see “*Restated Consolidated Financial Statements*” on page 188.

## **PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

### **Total Income**

Total income comprises revenue from operations and other income.

### ***Revenue from operations***

Our revenue from operations comprises of sale of services and products. Sale of services comprises of cloud hosting and managed services and technical support services. Sale of products comprises of cloud hosting related products such as storage, servers, switches, routers etc.

### ***Other income***

Other income comprises of interest received from bank deposits, receipt of income tax refunds, other interest, unwinding of discounts on security deposits, net gains from foreign exchange fluctuations and other miscellaneous income, which include liabilities no longer payable written back.

### **Expenses**

Our expenses comprise of cost of purchase of products such as servers and software, employee benefit expenses, finance cost, depreciation and amortization expenses and other expenses.

### ***Cost of products purchased***

The cost of products purchased includes the cost hardware and software required for cloud hosting.

### ***Employee benefit expenses***

Employee benefit expenses comprises of salaries, wages and bonuses paid, contribution to provident and other funds, gratuity payments, compensated absences and other employee related costs.

### ***Finance cost***

Finance cost comprises of interest on borrowings, lease liabilities for our data centers at Nashik, Navi Mumbai and Bengaluru our brand offices and leasing of other business equipment, other interest expenses which include interest paid to vendors, other borrowing costs such as stamp duty, loan processing fees and professional fees and bank charges.

### ***Depreciation and Amortisation Expense***

Depreciation and amortisation expenses comprises of depreciation of property, plant and equipment located at our data centers, amortization of intangible assets and amortisation of right to use assets on leased premises and equipment.

### Other expenses

Other expenses predominantly comprise of contract cost for setting up of a data center, rental charges, expected credit loss allowance, travel and conveyance expenses, communication charges, power and fuel charges, advertisement and sales promotion expenses, contract labour charges, membership and subscription charges of software licenses, legal and other professional expenses and miscellaneous expenses. Miscellaneous expenses primarily include printing and stationery and postage and courier expenses.

### RESULTS OF OPERATIONS

The following table sets forth selected information from our results of operations as a percentage of total income for Fiscals 2021, 2020 and 2019:

Particulars	Fiscal					
	2021		2020		2019	
	(in ₹ millions)	Percentage of total income (in %)	(in ₹ millions)	Percentage of total income (in %)	(in ₹ millions)	Percentage of total income (in %)
<b>Income:</b>						
Revenue from operations	1,719.27	98.75	1,585.73	98.78	1,355.77	98.57
Other Income	21.74	1.25	19.61	1.22	19.64	1.43
<b>Total income</b>	<b>1,741.01</b>	<b>100.00</b>	<b>1,605.34</b>	<b>100.00</b>	<b>1,375.41</b>	<b>100.00</b>
<b>Expenses:</b>						
Purchase of products	-	0.00	42.37	2.64	3.26	0.24
Employee benefit expense	590.30	33.91	483.17	30.10	274.79	19.98
Finance costs	176.47	10.14	113.17	7.05	118.40	8.61
Depreciation and amortization expense	373.93	21.48	369.30	23.01	173.04	12.58
Other Expenses	512.65	29.44	562.57	35.04	625.89	45.51
<b>Total expenses</b>	<b>1,653.35</b>	<b>94.96</b>	<b>1,570.58</b>	<b>97.84</b>	<b>1,195.38</b>	<b>86.91</b>
<b>Profit before tax</b>	<b>87.66</b>	<b>5.04</b>	<b>34.76</b>	<b>2.16</b>	<b>180.03</b>	<b>13.09</b>
<b>Income tax expense:</b>						
Current tax (MAT)	19.28	1.11	29.53	1.84	68.32	4.97
(Less) MAT credit entitlement	(19.28)	(1.11)	(22.11)	(1.38)	-	-
Deferred tax	32.81	1.88	17.99	1.12	(26.41)	(1.92)
<b>Total tax expenses</b>	<b>32.81</b>	<b>1.88</b>	<b>25.41</b>	<b>1.58</b>	<b>41.90</b>	<b>3.05</b>
<b>Profit for the year (A)</b>	<b>54.85</b>	<b>3.15</b>	<b>9.35</b>	<b>0.58</b>	<b>138.12</b>	<b>10.04</b>
<b>Other comprehensive income (B)</b>	<b>0.23</b>	<b>0.01</b>	<b>(4.99)</b>	<b>(0.31)</b>	<b>0.01</b>	<b>-</b>
<b>Total comprehensive income (A+B)</b>	<b>55.08</b>	<b>3.16</b>	<b>4.36</b>	<b>0.27</b>	<b>138.13</b>	<b>10.04</b>

### FISCAL 2021 COMPARED TO FISCAL 2020

#### Total revenue

##### Revenue from operations

Our revenue from operations increased by 8.42% to ₹ 1,719.27 million in Fiscal 2021 from ₹ 1,585.73 million in Fiscal 2020, due to increase in sales of cloud hosting and managed services and technical support services. Such increase was offset by sales of cloud hosting related products, from which, during Fiscal 2021, we did not derive any revenue. Increase in sales of (a) cloud hosting and managed services were driven by new contracts and scaling of old contracts and (b) technical support services were driven by an increase in demand of managed services.

#### Other income



Other income increased by 10.86% to ₹ 21.74 million in Fiscal 2021 from ₹ 19.61 million in Fiscal 2020. This increase was predominantly due to receipt of income tax refund.

### ***Total expenses***

#### ***Purchase of products***

In Fiscal 2020, the cost of products purchased was ₹ 42.37 million, which predominantly comprised of hardware products such as switches, networking equipment and software licences required for one-time business contracts with certain customers. In Fiscal 2021, we did not incur any expenditure towards purchase of products, as we did not execute such contracts during this period.

#### ***Employee benefit expenses***

Employee benefit expenses increased by 22.17 % to ₹ 590.30 million in Fiscal 2021 from ₹ 483.17 million in Fiscal 2020. Such increase was predominantly due to an increase in the number of employees as well as increase in salaries, wages and bonuses in the ordinary course. The increase in number of employees was predominantly due to expansion in capacities of existing data centers, addition of our new data center in Bengaluru as well as addition in manpower in certain existing business departments.

#### ***Finance costs***

Finance costs increased by 55.93% to ₹176.47 million in Fiscal 2021 from ₹113.17 million in Fiscal 2020, predominantly driven by increase in borrowings and lease liabilities. Such borrowings included loans from Axis Bank Limited, State Bank of India, Tata Capital Financial Services Limited, Kotak Mahindra Prime Limited and SIDBI. For details, see “*Financial Indebtedness*” on page 278. Leases included lease from Rent Alpha Private Limited, Hewlett-Packard Financial Services (India) Private Limited and Software Technology Parks of India.

#### ***Depreciation and amortization expense***

Depreciation and amortization expense increased marginally by 1.25% to ₹373.93 million in Fiscal 2021 from ₹369.30 million in Fiscal 2020. Such increase was predominantly due to an increase in the amortisation of right to use asset. This increase was partially offset by a decrease in depreciation of property, plant and equipment.

#### ***Other Expenses***

Other expenses decreased by 8.87% to ₹ 512.65 million in Fiscal 2021 from ₹562.57 million in Fiscal 2020, predominantly due to a decrease in (a) project servicing cost, rental charges, advertisement expense etc.

#### ***Tax expenses***

Our tax expenses comprised of current tax, net of tax credit entitlement, and deferred tax. Our tax expenses increased by 29.12% to ₹32.81 million in Fiscal 2021 from ₹25.41 million in Fiscal 2020, due to the reasons mentioned below:

In Fiscal 2020, we paid current tax aggregating ₹7.42 million (net of tax credit entitlement). We paid no current tax in Fiscal 2021 (net of tax credit entitlement). This was due to loss as per income tax provisions.

Our deferred tax expenses increased by 82.38% to ₹32.81 million in Fiscal 2021 from ₹17.99 million in Fiscal 2020. During Fiscal 2021, there have been significant additions to our property, plant and equipment and right of use assets, which comprised of expansion in cloud computing infrastructure. Consequently, the deferred tax expense has increased due to difference in rates of depreciation and amortisation on plant, property and equipment and right of use of assets between the Companies Act and the Income Tax Act, 1961.

### ***Profit for the year***

Due to the reasons stated above, our profit for the year increased to ₹54.85 million in Fiscal 2021 from ₹9.35 million in Fiscal 2020.

## **FISCAL 2020 COMPARED TO FISCAL 2019**

### ***Total revenue***

#### *Revenue from operations*

Our revenue from operations increased by 16.96% to ₹ 1,585.73 million in Fiscal 2020 from ₹ 1,355.77 million in Fiscal 2019, due to increase in the sale of our products and services, primarily driven by the sales of cloud hosting and managed services and cloud hosting related products.

#### *Other income*

Other income decreased marginally by 0.15% to ₹19.61 million in Fiscal 2020 from ₹19.64 million in Fiscal 2019.

### ***Total expenses***

#### *Purchase of products*

Cost of products purchased was ₹42.37 million in Fiscal 2020 as compared to ₹ 3.26 million in Fiscal 2019. In Fiscal 2020, the cost of products purchased predominantly comprised of hardware products such as switches, networking equipment and software licences required for one-time business contracts with certain customers. Such contracts were not executed during 2019, which resulted in a marginal net spend on expenses during this period.

#### *Employee benefit expenses*

Employee benefit expenses increased by 75.83% to ₹ 483.17 million in Fiscal 2020 from ₹ 274.79 million in Fiscal 2019. Such increase was predominantly due to an increase in number of employee and increase in salaries, wages and bonuses paid in the ordinary course. The increase in number of employees was due to expansion of existing data centers and additions in manpower in the some of the certain business departments.

#### *Finance costs*

Finance costs decreased marginally by 4.42% to ₹113.17 million in Fiscal 2020 from ₹118.40 million in Fiscal 2019.

#### *Depreciation and amortization expense*

Depreciation and amortization expense increased to ₹ 369.30 million in Fiscal 2020 from ₹ 173.04 million in Fiscal 2019. Such increase was predominantly due to increase in depreciation of plant, property and equipment and increase in amortization of right of use assets. Such increase in depreciation and amortisation was predominantly due to addition of fixed assets during this period in our data centers and due to increase in right of use assets.

#### *Other Expenses*

Other expenses decreased by 10.12 % to ₹ 562.57 million in Fiscal 2020 from ₹ 625.89 million in Fiscal 2019, predominantly due to a decrease in (a) project servicing cost, because of data center turnkey projects undertaken in Fiscal 2019 and (b) legal and professional charges. This was partially offset by an increase in travel expenses, communication charges, advertisement and sales promotion expenses and power and fuel charges.

#### *Tax expenses*

Our tax expenses decreased by 39.38% to ₹ 25.41 million in Fiscal 2020 from ₹ 41.90 million in Fiscal 2019, due to the reasons mentioned below:

Our current tax (net of tax credit entitlement) expenses decreased by 89.14% to Rs. 7.42 million in Fiscal 2020 from Rs. 68.32 million in Fiscal 2019, predominantly since tax was assessed in Fiscal 2019 on the basis of the Income Tax Act, 1961 whereas for Fiscal 2020, it was assessed under the provisions of the “minimum alternate tax” as per Income Tax Act,1961. Further, we paid higher current tax in Fiscal 2019 due to higher taxable profits

in Fiscal 2019 as compared to Fiscal 2020.

Our deferred tax expenses were Rs. 17.99 million in Fiscal 2020 as compared to a deferred tax credit of Rs. 26.41 million during Fiscal 2019. During Fiscal 2020, there have been additions to our property, plant and equipment and right of use assets, which comprised of expansion in cloud computing infrastructure. Consequently, the deferred tax expense has increased due to difference in rates of depreciation and amortisation on plant, property and equipment and right of use of assets between the Companies Act and the Income Tax Act, 1961.

### ***Profit for the year***

Due to the reasons stated above, our profit for Fiscal 2020 was ₹ 9.35 million, as compared to a profit of ₹ 138.12 million in Fiscal 2019.

## **DISCUSSION ON THE STATEMENT OF CASH FLOWS**

The following table sets forth certain information relating to our Company's statement of cash flows for the periods indicated:

<b>Particulars</b>	<b>Fiscals</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net cash inflow from/ (outflow in) operating activities	492.22	528.70	257.07
Net cash inflow from / (outflow in) investing activities	(572.44)	(838.28)	(510.58)
Net cash inflow from/ (outflow in) financing activities	217.49	229.89	278.18
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>137.28</b>	<b>(79.69)</b>	<b>24.67</b>

(₹ in million)

### ***Operating activities***

In Fiscal 2021, net cash inflow from operating activities was ₹ 492.22 million. The profit before income tax was ₹87.66 million, which was primarily adjusted for depreciation and amortization expenses of ₹ 373.93 million, finance cost of ₹ 176.47 million and bad debts written off of ₹ 46.48 million. The resultant operating profit before working capital changes was ₹ 672.41 million, which was primarily adjusted for an increase in trade receivables by ₹ 58.09 million, increase in other current and non-current financial assets by ₹ 181.01 million, decrease in other current assets by ₹ 54.19 million, decrease in trade payables by ₹75.21 million, decrease in other current financial liabilities by ₹ 27.84 million, increase in provisions by ₹ 26.93 million and increase in other current liabilities by ₹ 29.85 million.

In Fiscal 2020, net cash inflow from operating activities was ₹528.70 million. The profit before income tax was ₹34.76 million, which was primarily adjusted for depreciation and amortization expenses of ₹ 369.30 million and finance cost of ₹ 113.17 million. The resultant operating profit before working capital changes was ₹ 514.66 million, which was primarily adjusted for a decrease in trade receivables by ₹ 27.86 million, decrease in other current and non-current financial assets by ₹ 110.12 million, increase in other current assets by ₹ 161.82 million, increase in trade payables by ₹90.85 million, increase in other current financial liabilities by ₹ 39.42 million, increase in provisions by ₹ 20.70 million and decrease in other current liabilities by ₹ 24.32 million.

In Fiscal 2019, net cash inflow from operating activities was ₹ 257.07 million. The profit before income tax was ₹ 180.03 million, which was primarily adjusted for depreciation and amortization expenses of ₹ 173.04 million, finance cost of ₹ 118.40 million and bad debts written off of ₹ 72.84 million. The resultant operating profit before working capital changes was ₹ 547.16 million, which was primarily adjusted for an increase in trade receivables by ₹ 341.58 million, increase in other current and non-current financial assets by ₹ 39.74 million, increase in other current assets by ₹ 72.05 million, increase in trade payables by ₹ 168.86 million, increase in other current financial liabilities by ₹ 79.77 million, increase in provisions by ₹ 5.20 million and increase in other current liabilities by ₹ 3.04 million.

### ***Investing activities***

In Fiscal 2021, net cash used in investing activities was ₹572.44 million, which primarily comprised of cash used for purchase of property, plant and equipment and intangible assets (net of deferred tax) of ₹ 691.20 million,

proceeds from sale of property, plant and equipment of ₹ 131.92 million, bank balances not considered to be cash and cash equivalents of ₹ 31.21 million and interest/income on investment received ₹ 18.05 million.

In Fiscal 2020, net cash used in investing activities was ₹ 838.28 million, which primarily comprised of cash used for purchase of property, plant and equipment and intangible assets (net of deferred tax) of ₹ 779.11 million, interest/income on investment received of ₹ 15.46 million and bank balances not considered to be cash and cash equivalents of ₹ 74.62 million.

In Fiscal 2019, net cash used in investing activities was ₹ 510.58 million, which primarily comprised of cash used for purchase of property, plant and equipment and intangible assets (net of deferred tax) of ₹ 472.07 million, proceeds from sale of property, plant and equipment of ₹ 0.05 million, bank balances not considered to be cash and cash equivalents of ₹ 40.30 million and interest/income on investment received ₹ 1.74 million.

#### *Financing activities*

In Fiscal 2021, net cash inflow from financing activities was ₹ 217.49 million, which predominantly comprised of the equity component of compound financial instrument of ₹ 299.27 million, increase of non-current borrowings of ₹ 173.58 million and proceeds from current borrowings of Rs. 24.78 million. This was partially offset by principal elements of lease payments of ₹ 189.34 million and interest paid on borrowings of ₹ 90.80 million. Foreign currency translation impact on net increase or decrease in cash and cash equivalents is ₹ 0.12 million. Equity component of compound financial instrument implies the difference arising out of the financial instruments issued less fair value of the liability component on initial recognition of such compound financial instrument.

In Fiscal 2020, net cash inflow from financing activities was ₹ 229.89 million, which predominantly comprised of the equity component of compound financial instrument of ₹ 410.00 million increase of non-current borrowings of ₹ 18.11 million and decrease of current borrowings of ₹ 28.57 million. This was partially offset by principal elements of lease payments of ₹ 111.25 million and interest paid on borrowings of ₹ 58.40 million. Equity component of compound financial instrument implies the difference arising out of the financial instruments issued less fair value of the liability component on initial recognition of such compound financial instrument.

In Fiscal 2019, net cash inflow from financing activities was ₹ 278.18 million, which predominantly comprised of the equity component of compound financial instrument of ₹ 530.57 million, redemption of optionally convertible preference shares of ₹ 238.73 million, increase of non-current borrowings of ₹ 55.41 million and increase in current borrowings of ₹ 60.07 million. This was partially offset by principal elements of lease payments of ₹ 64.35 million and interest paid on borrowings of ₹ 64.79 million. Equity component of compound financial instrument implies the difference arising out of the financial instrument issued less fair value of the liability component on initial recognition of such compound financial instrument.

## **BUSINESS SEGMENTS**

We operate under a single business segment and our entire business involves the design, development, installation and servicing of information technology related resource.

## **INDEBTEDNESS**

As at March 31, 2021, we had total borrowings of ₹ 705.68 million.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business. For further details, see “*Risk Factors*” and “*Financial Indebtedness*” on pages 28 and 278.

## **CONTINGENT LIABILITIES**

The following table sets forth certain information relating to our contingent liabilities and commitments as of March 31, 2021, March 31, 2020 and March 31, 2019:

#### *Contingent liabilities*

(₹ in million)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Claims against the company not acknowledged as debts - income tax matters	-	-	2.52
Performance bank guarantees given to customers	121.84	164.27	140.65

*Capital commitments*

(₹ in million)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	16.55	138.20

For further details, please see “*Restated Consolidated Financial Statements*” on page 188.

**OFF-BALANCE SHEET ARRANGEMENTS**

We have no off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

For details of our relation party transactions, please see “*Restated Consolidated Financial Statements*” on page 243.

**AUDITOR’S OBSERVATIONS**

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Statutory Auditor in their auditor’s reports on the audited consolidated financial statements as of and for the years ended March 31, 2021, 2020 and 2019, as applicable.

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to risks from the use of financial instruments, which include credit risk, liquidity risk, market risk, foreign currency exchange rate risk and interest rate risk. Our senior management oversees the management of such risks. Our financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with our policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

*Credit risk*

We are exposed to credit risk as a result of risk of counterparties defaulting on their obligations. Our exposure to credit risk primarily relates to trade receivables. We monitor and limit our exposure to credit risks on a reasonable basis. Our credit risk associated with trade receivables is primarily related to customers not able to settle their obligations as agreed upon. To manage this, we periodically review the financial reliability of our customers, taking into account their financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables. Financial instruments that are subject to such risks, principally consist of trade receivables, contract assets such as unbilled revenue, security deposits (comprising bank guarantees, EMDs etc.) and cash and bank balances. None of our financial instruments result in material concentration of credit risk.

*Liquidity risk*

We are exposed to liquidity risk related to its ability to fund its obligations as and when they become due. We monitor and manage liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. We have access to credit facilities and monitor cash and bank balances on a regular basis. In relation to our liquidity risk, our policy is to ensure that we have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.

### ***Market risk***

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

### ***Foreign currency exchange rate risk***

We deal with receivables from customers and payables to vendors. Therefore, we are exposed to foreign exchange risk associated with exchange rate movements. The foreign exchange rate fluctuations do not have any material impact on our profitability as such exports and foreign currency expenditure is negligible in totality. There are no forward exchange contracts which have been entered into by us.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates.

For further information, see, “*Restated Consolidated Financial Statements*” on page 250.

## **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income and discretionary reduction of expenses etc. that have in the past or may in the future affect our business operations or future financial performance.

## **CHANGES IN ACCOUNTING POLICIES**

For details of changes in accounting policies in the last three years, please see “*Restated Consolidated Financial Statements –36 Financial risk management*” on page 250. Further, our Company has not deviated from applicable accounting standards for recording sales and revenues.

## **SEASONALITY/ CYCLICALITY OF BUSINESS**

Our business is not seasonal in nature.

## **DEPENDENCE ON CUSTOMERS AND SUPPLIERS**

We have derived and believe that in the foreseeable future we will continue to derive, a significant portion of our revenues from a limited number of clients. Our top 10 clients contributed 36.35%, 35.57%, and 44.73% of our revenue from operations for Fiscals 2021, 2020 and 2019. For further details, see “*Risk Factors – We generate a significant portion of our revenues from a limited number of clients, and any loss or reduction of business from these clients could reduce our revenues and materially adversely affect our business, financial condition, and results of operations*” on page 32. We do not derive a significant portion of our business from foreign customers / suppliers.

## **KNOWN TRENDS OR UNCERTAINTIES**

Our business has been subject, and we expect it to continue to be subject, to trends and uncertainties identified above in “*-Significant Factors Affecting our Results of Operations*” and as described in “*Risk Factors*” on page 28. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our sales, revenue or income from continuing operations.

## **FUTURE RELATIONSHIP BETWEEN COST AND REVENUE**

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 28, 134 and 265, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

## **SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Other than as described in the “*Risk Factors*” and “*Industry Overview*” on pages 28 and 103, respectively, there are no significant economic change that materially affected or are likely to affect our income from continuing operations.

## **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Except as disclosed below, there are no significant developments that have occurred or circumstances that have arisen post March 31, 2021 that materially or adversely affect or are likely to affect with the next 12 months (a) our trading or profitability, (b) the value of our assets, or (c) our ability to pay our liabilities:

1. Our Board and Shareholders at their meeting held on July 26, 2021 by way of special resolution approved split of one equity share having face value of ₹ 10 each into 10 equity shares having face value of ₹ 1 each. Accordingly, the cumulative number of equity shares of our Company was changed from 5,222,100 equity shares of ₹ 10 each to 52,221,000 Equity Shares of ₹ 1 each. Further in addition to the aforesaid the Shareholders agreed to increase the authorised share capital and altered the capital clause of the Memorandum of Association;
2. Our Company made a fresh issue of compulsory convertible cumulative preference shares (Class C CCCPS) of ₹ 10 each issued at a premium of ₹ 285 per share;
3. Sarla Prakashchandra Somani, has diluted 22,00,000 equity shares to ESDS Employee Benefit Trust. Pursuant to the ESOP Plan, duly approved by a resolution of the Board passed at their meeting on August 7, 2021 (as amended on August 26, 2021) and by a special resolution of the Shareholders passed at the extra-ordinary general meeting held on August 9, 2021 (as amended on August 27, 2021), our Company has granted 2,045,000 Equity Shares to the employees of the Company as on the date of this Draft Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

We avail loans and financing facilities in the ordinary course of our business for meeting our working capital and business requirements. For details of the borrowing powers of our Board, see “*Our Management- Borrowing Powers*” on page 170.

We have obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

The details of the indebtedness of our Company (on a consolidated basis) as on June 30, 2021, is provided below: (in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount
<b>Secured</b>		
Term loans	616.29	490.79
Working capital facilities	200.00	91.67
Vehicle loan	23.63	13.41
Equipment finance	173.95	82.99
Revolving line of credit	100.00	26.70
<b>Total secured facilities (A)</b>	<b>1,113.87</b>	<b>705.56</b>
<b>Unsecured</b>		
Business loan	10.20	6.26
Loan from our Promoter	4.55	2.16
<b>Total unsecured facilities (B)</b>	<b>14.75</b>	<b>8.42</b>
<b>Total borrowings</b>	<b>1,128.62</b>	<b>713.98</b>
<b>Borrowings of our Subsidiaries</b>		
Nil		
<b>Total consolidated borrowings</b>	<b>1,128.62</b>	<b>713.98</b>

Note: As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, by way of their certificate dated September 2, 2021.

### Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

- Interest:** The interest rate for the various facilities availed by our Company ranges from 8.25% per annum to 16.00% per annum. The interest rates for the term loan facilities and the revolving line of credit availed by our Company is typically linked to the marginal cost of funds based lending rate or prime lending rates of the respective lenders. Further, in terms of the vehicle loans and equipment finance loans availed by our Company, the facilities are provided either on a fixed or floating interest rate depending upon the respective lender’s lending rate prevailing for the respective facilities on the date of each disbursement. The business loan availed by our Company is provided on a fixed interest rate at 16.00% per annum.
- Penal Interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, breach of financial covenants, non-submission of annual financial statements and stock statements, diversion of funds, non-perfection of security within permitted timelines, irregularity / overdrawn in the account *etc.* Further, the default interest payable on the facilities availed by us typically ranges from 1.00% to 6.00% per annum. Additional interest as specified by the lenders may be charged in case of continuation of the non-compliance beyond a certain period.
- Pre-payment penalty:** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, including upon giving notice to the concerned lender, subject to such prepayment penalties as laid down in the facility agreements. The prepayment penalty for the facilities availed by us, where specified, ranges typically between 2.00% to 5.21% of the amount outstanding or the amount to be prepaid as specified in the agreements with lenders.



4. **Validity/Tenor:** The working capital term loan availed by us is available for a period of four (4) years, subject to periodic review by the lender. The tenor of the term loans, vehicle loans, equipment loans and the business loan availed by us are typically for a tenor of thirty-six (36) months to sixty (60) months. The revolving line of credit availed by us is available for a period of two (2) years, subject to periodic review by the lender.
5. **Security:** In terms of our secured borrowings, we are required to, *inter alia*:
  - a. create charge on movable fixed assets, book debts and current assets, both present and future including patented technology and products of our Company;
  - b. create charge on immovable fixed assets;
  - c. furnish personal guarantees from our Promoter, Piyush Prakashchandra Somani and Sarla Prakashchandra Somani, a member of our Promoter Group.

There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

6. **Repayment:** The working capital term loan and revolving line of credit are typically repayable on demand or on their respective due dates within the maximum tenure. The term loans, vehicle loans, equipment loans and business loan availed by our Company are typically repayable in structured instalments.
7. **Key Covenants:** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, such as following:
  - (a) effecting any change of control and ownership;
  - (b) effecting any change in our capital structure where the shareholding of the Promoter gets diluted below current levels or leads to dilution in controlling stake for any reason effecting any change in the management set-up;
  - (c) making any amendments in the Memorandum of Association or Articles of Association;
  - (d) effecting any change in the management of our Company (including Key Managerial Personnel) and/or composition of and/or remuneration payable to the Board of our Company, whether in the form of sitting fees or otherwise;
  - (e) attempting or purporting to alienate or creating any mortgage, charge, pledge, hypothecation or lien or encumbrance over our assets;
  - (f) change its constitution / composition and / or undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary;
  - (g) repay or pay any principal or interest on any loans availed by the Company;
  - (h) enter into any contract or arrangement whereby its business or operations are controlled, directly or indirectly, by another person;
  - (i) declare or pay any dividend or authorise any distribution to its shareholders, unless in cases specified per the terms of the loan agreement;
  - (j) invest by way of share capital or lend or advance fund to or place deposits with other concern, including sister/associate/family/subsidiary/ group concerns, with the exception of normal trade credit or security deposit in the ordinary course of business;
  - (k) pledging of the shares of the Promoter to any lender;
  - (l) undertake guarantee obligation on behalf of any third party or any other company.
8. **Events of default:** Borrowing arrangements entered into by us, contain standard events of default, including:

- (a) default in payment of interest or instalment amount due;
- (b) non-compliance of financial covenants;
- (c) any default under any other facility from any bank or financial institution ;
- (d) the occurrence of any cross default;
- (e) any change of ownership, control and/or management of the Company;
- (f) breach of security arrangements;
- (g) cessation of all or substantial part of its business;
- (h) supply of misleading information by the Company;
- (i) existence of circumstances which in the sole opinion of the lender, jeopardises its interests;
- (j) occurrence of a material adverse effect (as defined in the relevant financing document);
- (k) initiation of winding-up or liquidation proceedings of the Company, and seizure of the Company's equipment/plant machinery under any process of law; and
- (l) expropriation.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

9. ***Consequences of occurrence of events of default:*** Upon the occurrence of events of default, our lenders may:

- (a) Accelerate the maturity of facility and declare all amounts outstanding in respect of facility due and payable immediately;
- (b) Recall advance and take any recovery action;
- (c) Enforce security or change any of the terms of sanction;
- (d) Impose penal interest on the principal amount; and
- (e) Appoint a nominee director on board of the Company.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoter; (ii) actions by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, or Promoter; (iii) claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors, or Promoter; and (iv) litigations or arbitration proceedings involving our Company, Subsidiaries, Directors or Promoter (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).*

*In accordance with the Materiality Policy, all pending litigation or arbitration proceedings (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes mentioned in point (i) to (iii) above), involving our Company, Subsidiaries, Promoter and Directors (the “**Relevant Parties**”):*

- i. where the aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such pending litigation or arbitration proceeding is equal to or in excess of 5% of our consolidated profit after tax in the most recently completed Fiscal as per the Restated Consolidated Financial Statements.*

*The consolidated profit after tax of our Company for Fiscal 2021 as per the Restated Consolidated Financial Statements was ₹ 54.85 million. Accordingly, we have disclosed all such pending litigation or arbitration proceeding involving the Relevant Parties where the aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such pending litigation or arbitration proceeding equal to or in excess of ₹ 2.74 million; or*

- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company,*

*have been considered “material” and accordingly have been disclosed in this Draft Red Herring Prospectus.*

*Further, there are no disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against our Promoter in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action. As on the date of this Draft Red Herring Prospectus, our Company does not have any group company.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements. The consolidated trade payables of our Company as on March 31, 2021 was ₹ 247.55 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 12.37 million as on March 31, 2021.*

*For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or governmental or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that such Relevant Party, is impleaded as a defendant in proceedings before any judicial or arbitral forum.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### LITIGATION INVOLVING OUR COMPANY

##### **(a) Outstanding litigation proceedings against our Company**

###### **(i) Criminal proceedings**

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against our Company.

(ii) *Outstanding actions by regulatory or statutory authorities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities against our Company.

(iii) *Other material pending proceedings*

Except as disclosed below, there are no pending proceedings initiated against our Company, which have been considered material by our Company in accordance with the Materiality Policy:

Trigyn Technologies Limited (“**Claimant**”) initiated arbitration proceedings against our Company before a sole arbitrator, Justice R.G. Ketkar (the “**Arbitrator**”). Our Company and the Claimant had entered into a consortium agreement dated March 17, 2018 (“**Consortium Agreement**”) in connection with the setting up of a Tier-3 level data center, pursuant to a tender issued by The Software Technology Parks of India (“**STPI**”). Under the Consortium Agreement, our Company and the Claimant agreed to each invest 40% of the total value of the project, while the remainder 20% would come from STPI, while the revenue generated would be shared equally between the Claimant and our Company. The Claimant has alleged that our Company had arbitrarily and unilaterally terminated the Consortium Agreement and was also in breach of the terms of the Consortium Agreement, by, *inter alia*, refusing to perform its part of the contract. The Claimant has requested the Arbitrator to declare that our Company had failed to adhere to the terms of the Consortium Agreement and to order our Company to pay an aggregate sum of ₹9,442.80 million to the Claimant, allegedly for loss of future revenue from the said project. Subsequently, our Company has filed a written statement cum counterclaim refuting the allegations of the Claimant and making a counterclaim against the Claimant for an amount of ₹50.00 million. Thereafter, the Claimant filed a rejoinder before the Arbitrator refuting the contentions raised by our Company in its aforementioned written statement cum counterclaim. The matter is presently pending.

(iv) *Tax proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes against our Company.

**(b) Outstanding litigation proceedings by our Company**

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Company.

(ii) *Other material pending proceedings*

Except as disclosed below, there are no pending proceedings initiated by our Company, which have been considered material by our Company in accordance with the Materiality Policy:

1. Our Company had filed two civil suits before the Hon’ble Civil Judge, Senior Division Jalgaon (“**Civil Judge**”) against The Commissioner, Jalgaon City Municipal Corporation (“**Corporation**”), which have since been clubbed. Our Company was awarded a tender by the Corporation for providing e-governance services under its e-governance project and subsequently entered into an agreement for the initial period of three year which required, inter alia, our Company to furnish a bank guarantee of ₹ 2.50 million. Our Company has submitted that the Corporation failed to honour invoices and illegally encashed the bank guarantee. Accordingly, our Company claimed ₹ 6.15 million against the Corporation. Subsequently, due to the Corporation’s failure to apply for leave to defend the suit, our Company filed an application dated March 29, 2016 praying for the suit to be decreed in the Company’s favour. By order dated May 2, 2016, (“**Civil Judge Order**”) the Civil Judge permitted the respondent to file a written statement in relation to the suit, pursuant to which our Company filed a civil revision application before the High Court of Bombay, Aurangabad bench (“**High Court**”) against the Civil Judge Order. Subsequently, the Civil Judge Order was upheld by the High Court pursuant to an order dated April 13, 2017 (“**High Court Order**”), pursuant to which our Company

has filed a special leave petition in relation to the same, before the Supreme Court of India, challenging the High Court Order. The matter is currently pending.

2. Our Company secured the bid in relation to a tender floated by the Jalgaon Municipal Corporation (the “**Municipal Corporation**”) for providing various e-Governance services under the e-Governance project (“**Project**”). Pursuant thereto, our Company engaged the services of Elbiz Systems Private Limited (the “**Respondent Company**”) for carrying out partial scope of work for the Project. Per the commercial terms agreed upon by the parties, our Company was required to pay certain amounts for, inter alia, the purchase of software, initial deployment, customisation for the Municipal Corporation, training of staff, implementation and support services, for which our Company paid the Respondent Company a sum of ₹3.77 million. Due to the Respondent Company suspending software and support services to the Municipal Corporation, without assigning valid reasons or without notice, our Company had filed a summary suit before the Civil Judge, Senior Division Nashik (“**Civil Judge**”), against, *inter alia*, the Respondent Company, claiming compensation, including interest aggregating to a sum of ₹4.70 million. The matter is currently pending.
3. Our Company secured the bid in relation to a tender floated by the Jalgaon Municipal Corporation (the “**Municipal Corporation**”) for providing various e-Governance services under the e-Governance project (“**Project**”). Pursuant thereto, our Company engaged the services of Elbiz Systems Private Limited (the “**Respondent Company**”) for carrying out partial scope of work for the Project. Per the commercial terms agreed upon by the parties, our Company was required to pay certain amounts for, inter alia, the purchase of software, initial deployment, customisation for the Municipal Corporation, training of staff, implementation and support services, for which our Company paid the Respondent Company a sum of ₹3.77 million. Due to the Respondent Company suspending software and support services to the Municipal Corporation, without assigning valid reasons or without notice, our Company filed a special civil suit before the Civil Judge, Senior Division, Nashik (“**Civil Judge**”) against, *inter alia*, the Respondent Company claiming damages and interest, for a sum aggregating to ₹1.87 million sustained due to such suspension of services by the Respondent Company. The Civil Judge, for want of jurisdiction, passed an order dated April 22, 2018, directing the matter to be transferred to the Joint Civil Judge, Indore, where the registered office of the Respondent Company is located. The matter is currently pending.
4. Our Company engaged the services of Vivid Electromech Private Limited (“Respondent Company”) for purchasing electricity distribution and control apparatus, and for installation thereof from the Respondent Company for an amount, post adjustments and reconciliation, aggregating to ₹15.37 million, on which VAT payable amounted to ₹1.92 million. While our Company paid the Respondent Company the entire amount including VAT, our Company stated that the VAT was not forwarded to the Sales Tax Department, despite various reminders to and the responsibility of, the Respondent to deposit the VAT to the Sales Tax Department due to which certain amounts claimed as refund by our Company for the period from April 1, 2015 to March 31, 2016 from the Sales Tax Department, Nashik remain pending. Owing to this non-payment, the Maharashtra GST department sent a recovery notice to one of the bankers of our Company and created a charge on one of our bank accounts. Consequently, our Company has filed a suit before the Civil Judge, Senior Division, Nashik, claiming compensation, damages and interest, against *inter alia*, the Respondent Company, for an amount aggregating to ₹ 3.78 million (along with interest). The matter is currently pending.

## LITIGATION INVOLVING OUR SUBSIDIARIES

### (a) *Outstanding litigation proceedings against our Subsidiaries*

#### (i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Subsidiaries.

#### (ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiaries.

(iii) *Other material pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated against our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) *Claims related to direct and indirect taxes*

As on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes against any of our Subsidiaries.

**(b) *Outstanding litigation proceedings initiated by our Subsidiaries***

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Subsidiaries.

(ii) *Other material pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

**LITIGATION INVOLVING OUR DIRECTORS**

**(a) *Outstanding litigation proceedings against Directors***

(i) *Criminal proceedings against our Directors*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Directors.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Directors.

(iii) *Other material pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no proceedings pending against our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) *Claims related to direct and indirect taxes*

As on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes initiated against our Directors.

**(b) *Outstanding litigation proceedings by our Directors***

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(ii) *Other material pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the

Materiality Policy.

## LITIGATION INVOLVING OUR PROMOTER

### (a) Outstanding litigation proceedings against our Promoter

#### (i) Criminal proceedings

As on date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against our Promoter.

#### (ii) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Promoter.

#### (iii) Other material pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no proceedings pending against our Promoter, which have been considered material by our Company in accordance with the Materiality Policy.

#### (iv) Claims related to direct and indirect taxes

As on the date of this Draft Red Herring Prospectus there are no pending claims related to direct and indirect taxes initiated against our Promoter.

### (b) Outstanding litigation proceedings by our Promoter

#### (i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Promoter.

#### (ii) Other material pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by our Promoter, which have been considered material by our Company in accordance with the Materiality Policy.

## OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, i.e., ₹ 12.37 million, as of March 31, 2021 ("Material Creditors").

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2021 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises	Nil	Nil-
Dues to Material Creditor(s)	3	100.65
Dues to other creditors	250	146.90
<b>Total</b>	<b>253</b>	<b>247.55</b>

For details of outstanding dues to the Material Creditors (referenced above) as on March 31, 2021, (along with the names and amounts involved for each such Material Creditor) see <https://www.esds.co.in/investors/index>

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring

Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website would be doing so at their own risk.

#### **MATERIAL DEVELOPMENTS**

Other than as stated in "*Management's Discussion and Analysis of Financial Position and Results Of Operations*" on page 277, no circumstances have arisen since March 31, 2021, the date of the last Restated Consolidated Financial Statements disclosed in this Draft Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our trading or profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.



## GOVERNMENT AND OTHER APPROVALS

*Except as disclosed herein, our Company has obtained all material consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and regulatory authorities, which are necessary for undertaking our business activities and operations. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking their business activities and operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 148.*

*For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 289, for incorporation details of our Company, see “History and Certain Corporate Matters” on page 155.*

### **Material approvals in relation to our Company’s business and operations**

#### ***Business and data centre related approvals***

1. Certificate of Importer-Exporter Code issued by the office of the Regional Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992.
2. Udyam registration certificate, issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.
3. IT registration certificate issued by the Office of the Joint Director of Industries, Directorate of Industries, Government of Maharashtra, with respect to our website services.
4. Building completion cum occupancy certificates issued by the Maharashtra Industrial Development Corporation in respect of our data centers located in Navi Mumbai and Nashik and the occupancy certificate issued by the Electronics City Industrial Township Authority (Bangalore) in respect of our data center located in Bengaluru.
5. Final No Objection Certificates with respect to firefighting arrangements issued by: (i) the Maharashtra Industrial Development Corporation to: (a) our Company with respect to our Registered Office (including our data center at Nashik); and (b) the lessor of the premises where our data center in Navi Mumbai is located; and (ii) the Karnataka State Fire and Emergency Services to the lessor of the premises where our data center in Bengaluru is located.
6. Consent or authorization issued by the Maharashtra Pollution Control Board for our data centers at Navi Mumbai and Nashik data centers to operate (i) under the Water (Prevention and Control of Pollution) Act, 1974; (ii) under the Air (Prevention and Control of Pollution) Act, 1981; and (c) under the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016, and consent or authorisation issued by the Karnataka State Pollution Control Board for our Bangalore data centers to operate (i) under the Water (Prevention and Control of Pollution) Act, 1974; and (ii) under the Air (Prevention and Control of Pollution) Act, 1981.
7. Approvals for energizing electrical installation issued by the Central Electricity Authority, Regional Inspectorial Organisation with respect to our data center at Bangalore.
8. Registration of generating set issued by the Government of Maharashtra, office of the Chief Engineer, Public Works Department with respect to our Registered Office and data center at Nashik.

#### ***Labour/employment related approvals***

1. Certificates of registration under the shops and establishment legislations applicable in the states in which our Registered Office, Corporate Office and other offices are located.

2. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
3. Registration for employees' insurance issued by the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948.

#### ***Tax related approvals***

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registrations in the states of Karnataka, Madhya Pradesh, Maharashtra and New Delhi.
4. Professional tax registration under the Maharashtra State Tax on Professions, Trades Callings and Employments Act, 1975, in the state of Maharashtra, where our Registered Office and Corporate Office are located.

#### **Material approvals which have expired and for which renewal applications have been made:**

Nil

#### **Material approvals required to be obtained by our Company which have not been obtained or have expired and have not been applied for:**

Nil

However, in terms of the import-export code certificate (“**IEC**”) issued to our Company, we are required to ensure changes in the name of our Company are effected in the IEC issued to our Company within 90 days of the change in our name. The name of our Company was changed to ESDS Software Solution Limited pursuant to a certificate of incorporation consequent upon conversion from private company to public company issued by the RoC on July 8, 2021.

#### **Intellectual property rights**

For details, see “*Our Business - Intellectual Property*” on page 146 and for risks associated with our intellectual property, see “*Risk Factors- We may be unable to protect our intellectual property adequately, which could harm our business, financial condition and results of operations.*” on page 39.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated August 7, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated August 9, 2021.

Our Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to their resolutions dated August 26, 2021 and September 2, 2021, respectively.

The Selling Shareholders have confirmed and authorised its their respective participation in the Offer for Sale as set out below:

S. No.	Selling Shareholder	Offered Shares	Date of resolution	Date of consent letter
1.	Sarla Prakashchandra Somani	Up to 400,000 Equity Shares	-	August 20, 2021
2.	GEF ESDS Partners, LLC	Up to 4,231,000* Equity Shares	August 20, 2021	August 20, 2021
3.	South Asia Growth Fund II, L.P.	Up to 16,860,000* Equity Shares	August 20, 2021	August 20, 2021
4.	South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited)	Up to 34,000* Equity Shares	August 20, 2021	August 20, 2021

*\*The Equity Shares proposed to be offered by each Investor Selling Shareholder will include all or a portion of the Equity Shares which will result upon conversion of the Preference Shares and/or CCDs held by such Investor Selling Shareholder. For details of the Preference Shares and CCDs held by each Investor Selling Shareholders, see "Capital Structure" on page 74. The conversion of the Preference Shares and CCDs will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For details of the Preference Shares and CCDs held by each Investor Selling Shareholder, see "Capital Structure" on page 74.*

Our Board of Directors has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution passed at its meeting dated August 26, 2021.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group and the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, the members of the Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent in force and applicable.

### Directors associated with the Securities Market

Other than Uma Manoj Mandavgane, who is a director of Quantum Asset Management Company Private Limited, which is registered with SEBI as an asset management company, none of the Directors are, in any manner, associated with the securities market. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year, other than the deletion of the word “Private” from the name of our Company pursuant to conversion to a public limited company. The Company has not undertaken any new activity pursuant to such change in name.

Our Company’s net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2021, 2020 and 2019 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Restated net tangible assets <sup>1</sup>	1,781.78	1,492.75	1,009.27
Restated monetary assets <sup>2</sup>	143.81	6.42	86.24
Monetary assets, as a percentage of net tangible assets, as restated	8.07%	0.43%	8.54%
Operating profit/ (loss), as restated <sup>3</sup>	242.62	123.33	278.80
Net worth, as restated <sup>4</sup>	1,805.51	1,448.48	1,038.92

<sup>1</sup> *Net tangible assets* means the sum of all net assets of the Company excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India.

<sup>2</sup> *Monetary assets* is the aggregate of cash in hand and balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalents).

<sup>3</sup> *Operating Profit* has been calculated as profit before finance costs, other comprehensive income for the year, other income and tax expenses.

<sup>4</sup> *Net worth* means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, each as applicable for the Company on a restated basis.

Our Company has operating profits in each of Fiscal 2021, 2020 and 2019 in terms of our Restated Consolidated Financial Statements. Our average operating profit for Fiscals 2021, 2020 and 2019 is ₹ 214.91 million.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- None of our Company, our Promoter, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- None of our Company, our Promoter or Directors is a Wilful Defaulter.
- None of our Promoter or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus, except for the Preference Shares and CCDs which will be converted to Equity Shares prior to filing of the Red Herring Prospectus with the RoC.

The Selling Shareholders confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO 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 THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, AXIS CAPITAL LIMITED AND IIFL SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 2, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.esds.co.in](http://www.esds.co.in), would be doing so at his or her own risk. The Selling Shareholders, its respective directors, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholders in relation to itself and their Offered Shares.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs 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 Bidding centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, National Investment Fund set by the GoI, provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India), systemically important NBFCs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, other than in 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. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. 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 offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Eligibility and Transfer Restrictions**

**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 unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where**

**required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.**

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without 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.

The Selling Shareholders undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Selling Shareholders in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

#### **Consents**

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, independent IT consultant, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, Legal Counsel to the Selling Shareholders as to Indian Law, Bankers to our Company, the BRLMs, the Registrar to the Offer, Ken Research have been obtained; and consents in writing of the Syndicate Members, Sponsor Bank, Escrow Collection Bank(s), Public Offer Bank(s) and Refund Bank(s), and the Monitoring Agency to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

#### **Expert to the Offer**

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated August 12, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated September 2, 2021 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

#### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

#### Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

#### Capital issue during the previous three years

Other than as disclosed in “*Capital Structure-Notes to the Capital Structure*”, our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

#### Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

#### Performance vis-à-vis Objects – Last public/rights issue of our listed Subsidiaries/Promoter

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter and none of our Subsidiaries are listed.

#### Capital issue during the previous three years by our listed group companies of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any group companies in terms of the SEBI ICDR Regulations and the Materiality Policy.

#### Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

#### Track record of past issues handled by the BRLMs

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Chemplast Sanmar Limited	38,500.00	541.00	24-Aug-21	550.00	-	-	-
2	Nuvoco Vistas Corporation Limited	50,000.00	570.00	23-Aug-21	485.00	-	-	-
3	Cartrade Tech Limited	29,985.13	1,618.00	20-Aug-21	1,599.80	-	-	-
4	Clean Science and Technology Limited	15,466.22	900.00	19-Jul-21	1,755.00	+66.33%, [+5.01%]	-	-
5	India Pesticides Limited	8,000.00	296.00	5-Jul-21	350.00	+12.64%, [+1.87%]	-	-
6	Krishna Institute of Medical Sciences Limited <sup>1</sup>	21,437.44	825.00	28-Jun-21	1,009.00	+48.10%, [-0.43%]	-	-
7	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%, [-0.43%]	-	-
8	Shyam Metalics And Energy Limited <sup>®</sup>	9,085.50	306.00	24-Jun-21	380.00	+40.95%, [+0.42%]	-	-



Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
9	Macrotech Developers Limited	25,000.00	486.00	19-April-21	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	-
10	Barbeque Nation Hospitality Limited	4,528.74	500.00	07-April-21	489.85	+18.77%, [-0.64%]	+76.97%, [+6.85%]	-

Source: www.nseindia.com

@ Offer Price was ₹291.00 per equity share to Eligible Employees

! Offer Price was ₹785.00 per equity share to Eligible Employees

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount as on 30th calendar days from listing date			Nos. of IPOs trading at premium as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 5%-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%
2021-2022*	10	2,07,204.80	-	-	-	1	4	2	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Securities Limited

Sr. No.	Issue Name	Issue size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%, [+0.11%]	+16.81%, [+10.11%]	N.A.
2	Suryoday Small Finance Bank Ltd	5,808.39	305.00	March 26, 2021	292.00	-18.38%, [-1.14%]	-26.87%, [-98.46%]	N.A.
3	Nazara Technologies Ltd	5,826.91	1,101.00	March 30, 2021	1,990.00	+62.57%, [0.13%]	+38.22%, [6.84%]	N.A.
4	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 7, 2021	489.85	+18.77%, [-0.64%]	+76.97%, [+6.85%]	N.A.

Sr. No.	Issue Name	Issue size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
5	Macrotech Developers Ltd	25,000.00	486.00	April 19, 2021	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	N.A.
6	Shyam Metalics and Energy Ltd	9,085.50	306.00	June 24, 2021	380.00	+40.95%, [+0.42%]	N.A.	N.A.
7	Krishna Institute of Medical Sciences Limited	21,437.44	825.00	June 28, 2021	1,009.00	+48.10%; [-0.43%]	N.A.	N.A.
8	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	437.00	N.A.	N.A.	N.A.
9	Krsnaa Diagnostics Limited	12,133.35	954.00	August 16, 2021	1,005.55	N.A.	N.A.	N.A.
10	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	N.A.	N.A.	N.A.

Source: [www.nseindia.com](http://www.nseindia.com)

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. The Nifty 50 index is considered as the benchmark index. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	5	65,827.61	-	-	2	-	1	2	1	1	1	-	-	2
2020-21	8	47,017.65	-	-	4	2	1	1	-	-	-	1	1	1
2021-22	6	1,14,700.38	-	-	-	-	3	1	-	-	-	-	-	-

Source: [www.nseindia.com](http://www.nseindia.com)

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered. NA means Not Applicable

### Website for track record of the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012, issued by SEBI, please see the websites of the Lead Managers, as set forth in the table below:

Name	Website
Axis Capital Limited	<a href="http://www.axiscapital.co.in">http://www.axiscapital.co.in</a>
IIFL Securities Limited	<a href="http://www.iiflcap.com">www.iiflcap.com</a>

### Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

### Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 (“**March 2021 Circular**”), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight 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 Offer for redressal of their grievances.

**Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt**

**of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.**

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 prior to the filing of the Red Herring Prospectus with the RoC and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company, the Selling Shareholders, the Book Running Lead Managers and the Registrar to the Offer 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 has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has also appointed Aniket Khandelwal, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, “*General Information- Company Secretary and Compliance Officer*” on page 67.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

**Other confirmations**

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION IX – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

#### The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Other than the fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be shared among the Company and each of the Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued pursuant to the Fresh Issue and offered by each of the Selling Shareholders in the Offer.

Provided that all Offer-related expenses shall initially be borne by our Company and each of the Selling Shareholders shall reimburse the Company for respective proportion of the expenses upon the successful completion of the Offer. Upon successful completion of the Offer, or at the time the Offer is withdrawn or not completed for any reason whatsoever, each of the Selling Shareholders shall reimburse our Company their proportionate share of the Offer-related expenses (other than the fees and expenses in relation to the legal counsel to the Selling Shareholders). For further details, see “*Objects of the Offer – Offer Expenses*” on page 94.

#### Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of the Articles of Association*” beginning on page 327.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on pages 187 and 327, respectively.

#### Face Value and Offer Price

The face value of the Equity Shares is ₹ 1. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band and minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in

consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" beginning on page 327.

### **Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated August 7, 2021 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated July 26, 2021 amongst our Company, CDSL and Registrar to the Offer.

### **Market Lot and Trading Lot**

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 309.

### **Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

### **Jurisdiction**

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

### **Period of operation of subscription list**

See “*Offer Structure – Bid/Offer Programme*” beginning on page 306.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Depository Participant.

### **Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. No liability to make any payment of interest shall accrue to any Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is solely attributable to such Selling Shareholder.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue, subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made first towards the Offered Shares proportionately and then towards the remaining Equity Shares offered pursuant to the Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the



Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

#### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

#### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

#### **Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, the Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" beginning on page 85 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 327.

#### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

#### **Withdrawal of the Offer**

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

## OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,220.00 million by our Company and an Offer of Sale of up to 21,525,000 Equity Shares aggregating up to [●] million by the Selling Shareholders.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 600.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, it will be at a price to be decided by our Company in consultation with the BRLMs, and the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation* <sup>(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, 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 balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above  Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "Offer Procedure" beginning on page 309
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of	Such number of Equity Shares in multiples of [●] Equity

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
	the Offer, subject to applicable limits under applicable law	the Net Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply <sup>(3)</sup>	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	<b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup> <b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

\* Assuming full subscription in the Offer

- (1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, 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 or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" beginning on page 309.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer 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 all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. 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. For further details, please see "Terms of the Offer" beginning on page 300.

- (3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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. The signature of only such 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (4) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

### Bid/Offer Programme

<b>BID/ OFFER OPENS ON*</b>		●
<b>BID/ OFFER CLOSES ON**</b>		●

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

\*\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	●
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account**	●
Credit of the Equity Shares to depository accounts of Allottees	●
Commencement of trading of the Equity Shares on the Stock Exchanges	●

\*\* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company and the Selling Shareholders 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 Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);
- (ii) on the Bid/Offer Closing Date:
  - (a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
  - (b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Investor Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date.

**In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, the Company and the Investor Selling Shareholder, may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate**

**and by intimation to the Designated Intermediaries. In case of revision of Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“UPI Phase II”). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

### Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary

basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, 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. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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 Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### **Phased implementation of UPI for Bids by RIIs as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- (a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA 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.
- (b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- (c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (the “**UPI Streamlining Circular**”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is



finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office and at our Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

Since the Offer is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS

alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

\* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIIs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

**Participation by Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate Members and Bids by Anchor Investors**

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs

and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion 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. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

#### **Bids by Mutual Funds**

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, the Company and the Selling Shareholders in consultation with BRLMs reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

#### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall 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 warrant. 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. Pursuant to the special resolution dated August 9, 2021 by the Shareholders, the aggregate ceiling of 10% was raised to 24%.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 326.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations , such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **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 and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

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 is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, 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 and the Selling Shareholders, in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, 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 and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve 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 Selling Shareholders in consultation with the BRLMs, may deem fit.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding 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 BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;



10. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
11. Ensure that they have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIIs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
13. 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;
14. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
17. 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, (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, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which 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;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. 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;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
25. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
27. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
29. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
30. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
31. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
32. RIIs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/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;
12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;
20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
22. 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;

23. 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);
24. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
25. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
26. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
27. Anchor Investors shall not bid through the ASBA Process;
28. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
29. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
30. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 67.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 66.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if

any, shall be allotted on a proportionate basis.

### **Payment into Escrow Account(s) for Anchor Investors**

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated August 7, 2021 amongst our Company, NSDL and Registrar to the Offer
- Tripartite Agreement dated July 26, 2021 among CDSL, our Company and Registrar to the Offer.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the 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, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;
- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with

SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter;

- (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (ix) No further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

### **Undertakings by the Selling Shareholders**

The Selling Shareholders undertakes the following in respect of itself as the Selling Shareholders and its portion of the Offered Shares:

- (i) that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;
- (iii) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its portion of the Offered Shares;
- (iv) that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (v) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

### **Utilisation of Offer Proceeds**

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

### **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.” The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not

involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI Policy, FDI in companies engaged in IT/ITES sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 309.

**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 unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.



## SECTION X - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013

#### ARTICLES OF ASSOCIATION OF

#### ESDS SOFTWARE SOLUTION LIMITED

#### (PUBLIC COMPANY LIMITED BY SHARES)

The Articles of Association of ESDS Software Solution Limited (the “**Company**”) comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall prevail. However, Part II shall automatically terminate and cease to have any force and effect from the date of receipt of final approval for listing and trading of equity shares of the Company on the recognized stock exchanges in India subsequent to an initial public offering of the equity shares of the Company without any further action by the Company or by the Shareholders and Part I shall continue to be in effect.

### I. PRELIMINARY

#### 1. APPLICABILITY OF TABLE F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table ‘F’ of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

### PART I

#### II. DEFINITIONS AND INTERPRETATIONS

#### 2. In these Articles:

- 2.1 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

“**Act**” means the Companies Act, 2013, and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

“**Action Plan**” means the plan attached under Schedule I to the Articles, which sets out the specific environmental, social, labour, health and safety or security and environmental measures to be undertaken by the Company and/or its Subsidiaries, to enable the business of the Company and/or its Subsidiaries to be equipped, operated and undertaken in compliance with the Performance Standards and which will be revised in accordance with Article 192(c) on an annual basis;

“**Anti-Corruption Laws**” shall have the meaning as ascribed to it in Article 191;

“**Applicable S&E Law**” means all applicable Laws and consents of applicable governmental authorities setting standards / measures concerning environmental, social, labour, health and safety or security risks, including of the type specified in the Action Plan or imposing liability for the breach thereof.

“**Alternate Director**” shall have the meaning ascribed to such term in Article 150;

“**Articles**” shall mean the articles of association of the Company as amended or altered from time to time

in accordance with the Act;

**“Auditors”** means independent, external statutory auditors of the Company and shall include those persons appointed under the provisions of the ‘Act’ or any other applicable provisions for the time being in force;

**"Board of Directors"** or **"Board"** shall mean the board of directors of the Company, as constituted from time to time in accordance with applicable provisions of Law;

**"Company"** shall mean ESDS Software Solution Limited, a public company limited by shares incorporated under the Companies Act, 1956;

**“Director”** means any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with these Articles and the provisions of the Act, from time to time;

**“Equity Share Capital”** means in relation to the Company, its equity share capital within the meaning of Section 43 of the Act, as amended from time to time;

**"Equity Shares"** shall mean the equity shares of the Company having a face value as prescribed under the Memorandum of Association;

**“General Meetings”** shall mean any duly convened meeting of the Shareholders of the Company and any adjournments thereof and includes an extra-ordinary general meeting held in accordance with the Act;

**"Governmental Authority"** means any governmental, regulatory or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make Laws, rules or regulations or pass directions, orders or awards, having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to applicable Laws;

**“Investor”** or **“Investors”** shall mean South Asia Growth Fund II, L.P., GEF ESDS Partners, LLC, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust (represented by its Trustee, Orbis Trusteeship Services Private Limited);

**"Key Managerial Personnel"** in relation to the Company, means collectively, the chief executive officer/managing director/manager, the company secretary, the whole-time directors, the chief financial officer, such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and such other officer as maybe prescribed and declared by the Company to be a key managerial personnel;

**"Law"** shall mean:

- (i) in relation to the Persons domiciled or incorporated in India, all applicable statutes, enactments, acts of legislature or Parliament, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) in India or in any jurisdiction but applicable to such Persons domiciled or incorporated in India; and
- (ii) in relation to Persons domiciled or incorporated overseas, all applicable statutes, enactments, acts of legislature, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) of the relevant jurisdiction of such Persons;

**"Lien"** means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

“**Member**” means a member of the Company within the meaning of Clause (55) of Section 2 of the Act, as amended from time to time, and who are the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;

“**Memorandum of Association**” shall mean the memorandum of association of the Company, (as from time to time amended, modified or supplemented);

“**Original Director**” shall have the meaning ascribed to such term in Article 150;

“**Person**” shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable Law;

“**Performance Standards**” means International Finance Corporation’s Performance Standards on Social and Environmental Sustainability, dated January 1, 2012;

“**Preference Share Capital**” means in relation to the Company, its preference share capital within the meaning of Section 43 of the Act, as amended from time to time;

“**SEBI Regulations**” means all the Regulations, Rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by the Securities and Exchange Board of India;

“**Shares**” means a share in the Share Capital of the Company and includes stock.

“**Shareholder(s)**” shall mean such Person(s) who are holding Share(s) in the Company at any given time;

“**Share Capital**” means Equity Share Capital and Preference Share Capital;

- 2.2 The terms “writing” or “written” include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form permitted under Law.
- 2.3 The headings hereto shall not affect the construction hereof.
- 2.4 Notwithstanding anything contained in these Articles, any reference to a “person” in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).
- 2.5 Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
- 2.6 Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
- 2.7 Words importing the singular number includes where the context admits or requires, the plural number and vice versa.
- 2.8 Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

### III. PUBLIC COMPANY

3. The Company is a public company as defined in clause (71) of Section 2 of the Act.

### IV. SHARE CAPITAL AND VARIATION OF RIGHTS

4. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
5. 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 or at a discount (subject to the compliance with Section 52 and 53 and other provisions of the Act), as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any Shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that the option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

6. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:
  - (i) Equity Share Capital:
    - (a) with voting rights; and / or
    - (b) with differential rights as to dividend, voting or otherwise; and
  - (ii) Preference Share Capital
7. Further, the Board shall be entitled to issue, from time to time, subject to applicable Law, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.
8. Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.
9. Subject to the provisions of the Section 55 of Act, any Preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine.

10. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.
11. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, 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. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.
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.
13. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.
14. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue securities or shares as the case may be, on rights basis, preferential Basis, or private placement basis, under a scheme of employees' stock option and Sweat Equity shares, or in any other manner as may permitted under the Companies Act, 2013 and SEBI Regulations.
15. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.
16. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

#### **V. NOMINATION BY SECURITIES HOLDERS**

17. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
18. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
19. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and

Debentures) Rules, 2014.

20. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
21. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **VI. BUY-BACK OF SHARES**

22. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 67 to 70 of the Act and other applicable provisions of the Law, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by law.

## **VII. FURTHER ISSUE OF SHARES**

23. (1) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then such Shares shall be offered –
  - (a) to the persons who, on the date specified under applicable law, are holders of the Shares of the Company, in proportion, as near as circumstances admit, to the paid up Share capital on those Shares by sending a letter of offer subject to the following conditions, namely:
    - (i) the offer shall be made by a notice to such holders of Shares specifying the number of Shares offered and limiting a time not being less than seven (7) days and not exceeding thirty (30) days or such other timeline as may be prescribed under applicable Laws from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
    - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right; provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to Shareholders and the Company.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act and the rules thereunder; or
  - (c) to any persons, if authorised 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, at such price as may be determined in compliance with the applicable provisions of the Act and Applicable Law;
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-article (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before

the opening of the issue or such other timeline as may be prescribed under applicable Laws. Nothing in such notice shall be deemed:

- (a) To extend the time within which the offer should be accepted; or
  - (b) To authorize any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise);

Provided that the terms of issue of such debentures or the terms of such loans containing such 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.

- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order or such other timeline as may be prescribed under applicable Laws, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

## **VIII. COMMISSION**

24. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other applicable Law, provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.
25. The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules made under sub-section (6) of Section 40 of the Act.
26. 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.
27. The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

## IX. SHARES AND SHARE CERTIFICATES

28. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act and applicable provisions of the Depositories Act, 1996, with details of shares held in physical and dematerialised forms in any medium as may be permitted by law, including in any form of electronic medium. The Company shall be entitled to maintain in any country outside India a “foreign register” of Members or debenture holders resident in that country.
29. Subject to applicable Law, every Person whose name is entered as a Member in the register of members shall be entitled to receive:
- (i) one (1) or more certificates in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charge; or
  - (ii) several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of twenty rupees), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.
30. Every certificate shall be under the seal, if any, and shall specify the number and distinctive numbers of the Shares to which it relates and the amount paid-up thereon, shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.
31. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Subject to the provisions of the Act, any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.
32. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, 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 Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding INR 20 (Rupees twenty)) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable Law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.
33. Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.
34. If any Share stands in the names of 2 (two) or more persons, the Person first named in the register of Members of the Company shall as regards voting at meetings of the Company, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to the Company's Articles.



35. 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 Articles 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.
36. In accordance with the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed thereunder.

## X. CALLS ON SHARES

37. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money 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 Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.
38. Each Member shall, subject to receiving at least 14 (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.
39. A call may be revoked or postponed at the discretion of the Board.
40. 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.
41. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
42. 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 thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine.
43. The Board shall be at liberty to waive payment of any such interest wholly or in part.
44. Any sum which by the terms of the 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
45. The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon, not exceeding 12 (twelve) percent per annum, unless the Members in a General Meeting direct otherwise, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.
46. Where any calls for further Share Capital are made on the Shares of a class, such calls shall be made on a uniform basis on all Shares falling under that class. For the purposes of this Article, Shares of the same

nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

## **XI. DEMATERIALIZATION OF SHARES**

47. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its Shares, debentures and other securities and offer such Shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.
48. Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form.
49. Every Person subscribing to the Shares offered by the Company shall have the option to receive Share certificates or to hold the Shares with a depository. Where Person opts to hold any Share with the depository, the Company shall intimate such depository of details of allotment of the Shares to enable the depository to enter in its records the name of such Person as the beneficial owner of such Shares. Such a Person who is the beneficial owner of the Shares can at any time opt out of a depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares. In the case of transfer of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
50. If a Person opts to hold his Shares with a depository, the Company shall intimate such depository the details of allotment of the Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.
51. All Shares held by a depository shall be dematerialized and shall be in a fungible form.
  - (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.
  - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.
52. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a depository. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.
53. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
54. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.
55. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

## **XII. LIEN**

56. The Company shall have a first and paramount Lien on: (a) every Share or debenture (not being a fully

paid-up Share or debenture) registered in the name of each Member or holder, respectively (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture; and (b) on all Shares or debentures (not being fully paid Shares or debentures) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company; and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all Liens and in case of partly paid-up Shares, the Company's Lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.

57. The Company's Lien, if any, on a Share shall extend to all dividends or interests as the case may be and bonuses declared and payable by the Company from time to time in respect of such Shares.
58. The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.
59. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares or debenture 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;
  - (b) until the expiration of 14 (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 Member or holder for the time being of the Share or debenture, or the Person entitled thereto by reason of his death or insolvency.
60. Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's Lien, if any, on such Shares or debentures.
61. The following shall apply to any sale of Shares referred to in Article 59 above:
  - (a) The Board may authorise some Person to transfer the Shares or debentures sold to the purchaser thereof;
  - (b) The purchaser shall be registered as the holder of the Shares or debentures that are the subject of any such transfer;
  - (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale;
  - (d) The 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;
  - (e) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the Shares or debentures before the sale, be paid to the Person entitled to the Shares or debentures at the date of the sale.
62. A Member shall not exercise any voting rights in respect of the Shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised the right of Lien.

### **XIII. TRANSFER OF SHARES**

63. The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. 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. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and the transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being and applicable SEBI Regulations shall be duly complied with in respect of all transfers of Shares and the registration thereof. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

64. Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, to a Person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company or such other period prescribed under applicable Law, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures, in whatever lot, shall not be refused.
65. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—
- (a) the transfer of a Share, not being a fully paid Share, to a Person of whom they do not approve; or
  - (b) any transfer of Shares on which the company has a lien.
66. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56 of the Act;
  - (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of Shares.

Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

67. On giving not less than 7 (seven) days or such other period as may be prescribed under applicable Laws previous notice in accordance with the Act or any other time period as may be specified by Law, 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 30 (thirty) days or such other period as may be prescribed under applicable Laws at any one time or for more than 45 (forty five) days in the aggregate in any year or such other period as may be prescribed under applicable Laws.
68. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

#### **XIV. TRANSMISSION OF SHARES**

69. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share, which had been jointly held by him with other persons.
70. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:
- (a) to be registered as holder of the Share; or

- (b) to make such transfer of the Share as the deceased or insolvent Member could have made.
71. 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.
72. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such Person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
73. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.
74. All the limitations, restrictions and provisions contained in these Articles 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.
75. 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 the General 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

#### **XV. FORFEITURE OF SHARES**

76. 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.
77. The notice issued under Article 76 shall:
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days or such other period as may be prescribed under applicable Laws from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.
78. If the requirement of any such notice as aforesaid is 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.
79. A forfeited Share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.
80. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
81. 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 the Person to the Company in respect of the Shares.
82. 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.
83. 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.

84. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed off.
85. The transferee shall there upon be registered as the holder of the Share.
86. The transferee shall not be bound to ascertain or confirm 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.
87. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

#### **XVI. ALTERATION OF SHARE CAPITAL**

88. Subject to these Articles and the provisions of Section 61 of the Act, 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.
89. Subject to the provisions of Section 61 the Act, the Company may from time to time by ordinary resolution, undertake any of the following:
  - (a) consolidate or divide, all or any of the Share Capital into Shares of larger or smaller amount than its existing Shares;
  - (b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;
  - (c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or
  - (d) 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 and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.
90. Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:
  - (a) the Share Capital;
  - (b) any capital redemption reserve account; or
  - (c) any Share premium account.

#### **XVII. CONVERSION OF SHARES INTO STOCK**

91. Where Shares are converted into stock:
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Article under which, the Shares from which the stock arose might before the conversion have been transferred, or as near there to 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;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the Shares from which the stock arose; but no such 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 the stock which would not, if existing in Shares, have conferred that privilege or advantage; and
- (c) such of the Articles, as are applicable to paid-up Shares shall apply to stock and the words “Share”, “Shareholder” and “Member” in those Articles shall include “stock” and “stock holder” respectively.

### **XVIII. GENERAL MEETINGS**

- 92. An annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable Law. Not more than 15 (fifteen) months or such other period as may be prescribed under applicable Laws shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situated, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.
- 93. All General Meetings, other than the annual General Meeting, shall be extra-ordinary General Meetings.
- 94. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.
- 95. The Board may, whenever it thinks fit, call an extraordinary general meeting after giving notice as per the Act.
- 96. The Board shall on the requisition of such number of Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
- 97. A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days’ notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto—
  - (i) in the case of an annual general meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and
  - (ii) in the case of any other general meeting, by Members of the Company holding, majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

- (iii) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

- (iv) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

#### **XIX. PROCEEDINGS AT GENERAL MEETINGS**

98. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
99. Notwithstanding anything contained elsewhere in these Articles, the Company:
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and
  - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.
- Provided that any item of business required to be transacted by means of postal ballot under clause (a) above, may be transacted at a General Meeting by the Company which is required to provide the facility to Members to vote by electronic means under Section 108 of the Act, in the manner provided in that Section.
100. Subject to applicable Law, directors may attend and speak at General Meetings, whether or not they are Shareholders.
101. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.
102. The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.
103. If at any General Meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of the Members to be chairperson of such General Meeting.
104. The chairperson may, with the consent of Members at any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.
105. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 98 herein read with Section 100 of the Act shall stand cancelled.
106. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in



the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

107. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.
108. 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.
109. 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 General Meeting.
110. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/her own motion and shall be ordered to be taken by him/her on a demand made in accordance with Section 109 of the Act.
111. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.
112. If at the adjourned meeting too, a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.
113. Any act or resolution which, under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or these Articles specifically require such act to be done or such resolution passed by a special resolution or by a unanimous approval of all the Members.

## **XX. VOTING RIGHTS**

114. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
  - (a) on a show of hands, every Member present in person shall have 1 (one) vote; and
    - (i) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital.
115. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in Section 47 (2) of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affects the right attached to his preference shares.

In the case of an equality of votes, the Chairman shall, on a poll (if any) and e-voting (if applicable), shall not have casting vote in addition to the vote or votes to which he may be entitled as a member.
116. At any General Meeting, a resolution put to vote of the meeting shall be decided per the provisions of the Act and applicable SEBI Regulations, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy, in accordance with applicable Law.
117. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
118. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The Company shall also provide E-voting facility to the Shareholders of the Company in terms of the provisions of Act and the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.
119. In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

120. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, 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.
121. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.
122. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.
123. Any such objection made in due time shall be referred to the chairperson of the General Meeting whose decision shall be final and conclusive.
124. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
125. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.
126. The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
127. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.
128. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutiners to scrutinise the votes given on the poll and to report thereon to him/her in accordance with Section 109 of the Act.
129. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiner from office and to fill vacancies in the office of scrutiner arising from such removal or from any other cause.
130. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.
131. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.
132. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.
133. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
134. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

## **XXI. PROXY**

135. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and

vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.

136. The proxy shall not be entitled to vote except on a poll.
137. 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 (forty eight) 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 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
138. An instrument appointing a proxy shall be in the form as prescribed under Section 105 the Act and the rules framed thereunder.
139. 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 the adjourned meeting at which the proxy is used.

## **XXII. BOARD OF DIRECTORS**

140. The Board shall comprise of a minimum of six directors and a maximum of 15, with a right for shareholders to increase such number of directors in accordance with the Articles and the Act.
141. Investor Nominee Director:
  - (a) At any time on and after the commencement of listing and trading of the Equity Shares on a recognised stock exchange, until such time that the Investor (together with its Affiliates) continues to hold at least five percent (5%) of the issued and fully paid-up Equity Share Capital of the Company, the Investor (together with its Affiliates) shall have the right but not an obligation to nominate one (1) Director to the Board (“**Investor Nominee Director**”). In the event of a casual vacancy arising with respect to the position of the Investor Nominee Director for any reason, the Investor shall be entitled to nominate another Person, in accordance applicable Law, to be appointed as the Investor Nominee Director to fill such vacancy. The Investor may remove the Investor Nominee Director by a written notice issued to the Company and following which the Company undertakes to do such things as required under the applicable Law to facilitate such removal.

Provided that the right under this Article 141, may be exercised after approval of such right by way of a special resolution by the shareholders of the Company, at a general meeting held post listing of the Equity Shares. Provided further that no approval of this right shall be required for any subsequent exercise of the right after the initial approval (including for the appointment of the Investor Alternate Director or a nominee in case of a casual vacancy).
  - (b) Subject to the provisions of the Act, in the event that the Investors propose to nominate an alternate Director (“**Investor Alternate Director**”) to the Investor Nominee Director, the Board shall, upon receipt of notice to that effect from the Investors, appoint the Investor Alternate Director in place of such Investor Nominee Director. Upon the appointment of the Investor Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the registrar of companies. Subject to the provisions of the Act, the Investors shall also have a right to withdraw their Investor Alternate Director and nominate another Investor Alternate Director in its place. The Investor Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Investor Nominee Director and generally to perform all functions of the Investor Nominee Director in the absence of such Investor Nominee Director.
142. Subject to the provisions of the Act, two-thirds of the total number of Directors of the Company (other than

independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, subject to the below conditions.

- (a) At every annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
  - (b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.
  - (c) A retiring Director shall be eligible for re-election.
  - (d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.
  - (e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
  - (f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
    - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
    - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
    - (iii) the retiring Director is not qualified or is disqualified for appointment; or
    - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.
143. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.
144. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
145. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.
146. A Director shall not be required to hold any qualification shares in the Company.
147. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
148. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other Person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any Person so appointed as an additional Director shall retain his office only up to the date of the next annual General

Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.

149. In the event that a Director is absent for a continuous period of not less than 3 (three) months or such other period as prescribed under applicable Laws from India (an “**Original Director**”), subject to these Articles and the provisions of the Act, the Board may appoint another Person (an “**Alternate Director**”) for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.
150. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the registrar within 30 (thirty) days or such other period as may be prescribed under applicable Laws of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.
151. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.
152. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any Person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.
153. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares.

### **XXIII. PROCEEDINGS OF THE BOARD**

154. The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.
155. A Director may and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
156. Subject to requirements under applicable Law, a minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.

157. Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.
158. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
159. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.
160. 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.
161. Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:
- (a) specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;
  - (b) be accompanied by any relevant supporting papers; and
  - (c) be sent by: (i) courier if sent to an address in India; (ii) by e-mail or facsimile transmission if sent to an address outside India; or by hand delivery.
162. Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.
163. The Directors may from time to time elect a chairperson who shall preside at the meetings of the Directors and determine the period for which he is to hold office. The same individual may be appointed as the chairperson of the Company as well as the managing Director and/or the chief executive officer of the Company. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairperson of the meeting.
164. The Chairperson of the Board, if any, shall not have any second or casting vote.
165. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as

may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

166. The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit.
167. 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.
168. Subject to applicable Law and these Articles, a committee may elect a chairperson of its meetings.
169. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.
170. A committee may meet and adjourn as it thinks fit.
171. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.
172. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.
173. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.
174. 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.
175. 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.
176. Minutes of each meeting of the Board shall be circulated to all Directors.

#### **XXIV. POWERS OF DIRECTORS**

177. The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.
178. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or

otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

179. The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with Governmental Authorities in accordance with the Act and other applicable Law, as may be required from time to time.
180. The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheques on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other Person or persons to exercise such powers.

#### **XXV. MANAGING/WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL**

181. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
182. Subject to the provisions of any contract between him and the Company, the managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be the managing Director if he ceases to hold the office of Director for any cause.
183. Subject to the provisions of the Act, the managing Director/whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or bonus or commission or participation in profit, or perquisites and benefits or by some or all of these modes.
184. Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer or any other key managerial personnel not more than one level below the Board and in the whole time employment of the Company and designated as a key managerial personnel 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, chief financial officer or any other Key Managerial Personnel so appointed may be removed by means of a resolution of the Board.
185. A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
186. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and managing director, chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in place of, managing director, chief executive officer, manager, company secretary or chief financial officer.

#### **XXVI. BORROWING POWERS**

187. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or



secure the payment of any sum or sums of money for and on behalf of the Company from the Members or from other persons, companies or banks. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

188. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.
189. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

## **XXVII. COVENANTS AND AGREEMENTS**

190. The Company shall not and shall not permit any of its Affiliates or Group Companies or any of its or their respective directors, shareholders, officers, managers, employees, independent contractors, representatives or agents to -- promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official, in each case, in violation of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002 or any other applicable anti-bribery or anti-corruption law (the "**Anti-Corruption Laws**"). The Company shall and shall cause each of its Affiliates and Group Companies to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Affiliates or Group Companies, or any of their respective directors, shareholders, officers, managers, employees, independent contractors, representatives or agents in violation of the Anti-Corruption Laws. The Company shall and shall cause each of its Affiliates and Group Companies to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the Anti-Corruption Laws.
191. **Environmental Matters:**
- (a) The Company has complied with and shall be in compliance with all the Environmental Laws in all respects and has obtained and is in compliance with all applicable environmental permits.
  - (b) Greenhouse Gas Audit. The Company may, at its expense undertake a greenhouse gas audit annually, by a Third Party agency. The Company shall ensure that the Company and the Group Companies, extend full cooperation and provide all necessary information and documents required for the conduct of such audit.
  - (c) The Company shall ensure that the Company and/or its Subsidiaries shall, implement and comply with the Action Plan and undertake the business of the Company and/or its Subsidiaries in compliance with the Applicable S&E Law. The Company will also be subject to an annual ESG audit by an independent auditor / audit agency at the cost of the Company. Based on the findings of such Third Party service provider, the Action Plan, as presently set out in Schedule I to the Articles, shall be revised / modified by the Company, if deemed necessary by such Third Party service provider, and the Company shall implement and comply with such revised / modified Action Plan, as the case may be, from time to time.

## **XXVIII. THE SEAL**

192. The Board of Directors may select a seal for the Company and shall provide by resolution for the safe custody and affixing thereof.

193. The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable Law.

#### **XXIX. DIVIDENDS AND RESERVES**

194. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.
195. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such dividends including interim dividends as appear to it to be justified by the profits of the Company.
196. 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. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
197. 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.
198. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.
199. 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.
200. 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.
201. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or 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 of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.
202. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
203. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.
204. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.
205. No dividend shall bear interest against the Company.
206. Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by the Members of the Company.
207. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or

claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years or such other period as prescribed under applicable Law from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under Section 125 of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before claim on such dividend becomes barred by applicable Law.

### **XXX. CAPITALISATION OF PROFITS**

208. The Company in a General Meeting may, upon the recommendation of the Board, resolve:
- (d) 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
  - (e) that such sum be accordingly set free for distribution in the manner specified in Article 195 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
209. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles below, either in or towards:
- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
  - (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
  - (c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.
  - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
  - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
210. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
  - (b) generally do all acts and things required to give effect thereto.
211. The Board shall have power to:
- (a) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and
  - (b) 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.
212. Any agreement made under such authority shall be effective and binding on such Members.

### **XXXI. INDEMNITY**

213. Subject to the provisions of the Act, every Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses, whether civil or criminal, in which judgement is granted in his favour or in which he is acquitted, or in which he is acquitted or in which relief is granted to him by the court or the Tribunal, which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own willful neglect or default respectively.
214. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

### **XXXII. ACCOUNTS**

215. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision or such other period prescribed under applicable Law file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.
216. 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 or books or documents of the Company, or any of them, shall be open to inspection by the Members not being Directors subject to provisions of the Act and these Articles. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.
217. 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.
218. The books of accounts of the Company relating to a period of not less than 8 (eight) financial years immediately preceding the current year or such other period prescribed under applicable Laws together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

### **XXXIII. AUDIT**

219. The statutory auditors of the company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act.
220. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.
221. The remuneration of the auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first auditor appointed by the Directors may be fixed by the Directors.
222. The Company shall also appoint a reputed accounting firm as the internal auditor to conduct internal

audit of the functions and activities of the Company in accordance with the provisions of the Act.

#### **XXXIV. SECRETY**

223. Subject to the provisions of the Act, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors, managing directors or secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the managing Director will be inexpedient in the collective interests of the Members of the Company to communicate to the public or any Member.
224. Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other Person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors 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 Articles and the provisions of the Act.
225. Post listing of the Equity Shares, at the request of any Shareholder, the Company shall provide to such Shareholder: (i) annual reports; (ii) annual, semi-annual, quarterly and other periodic financial statements and reports; (iii) any other interim or extraordinary reports; and (iv) prospectuses, registration statements, offering circulars, offering memoranda and other document relating to any offering of securities by the Company, provided, in each case, that (a) the Company has, prior to providing any Shareholder with such information, made such information available to the public; and (b) the Company is not prohibited under any applicable Law from providing such information to such Shareholder.

#### **XXXV. WINDING UP**

226. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable).
227. Subject to the provisions of Chapter XX of the Act and rules made thereunder:
- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **XXXVI. GENERAL AUTHORITY**

228. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf provided.
229. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**") and the Act, as amended, the provisions of the Listing Regulations and the Act shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations and the Act, from time to time.

**SCHEDULE I**  
**ACTION PLAN**

<b>Sr. No.</b>	<b>Recommendation</b>	<b>Reference</b>
1.	ESDS may develop comprehensive Environmental and Social Assessment and Management System (ESAMS) which shall include Environment, Health, Safety and Social policy, HR policies, Environment and Social impact assessment, Risk Management, reporting, monitoring and review mechanism to check the progress, onsite emergency plan/ risk assessment plan and training. ESMS should include procedures and systems to ensure compliance to legal and regulatory requirements.	PS1 – ESAMS
2.	Undertake a follow up Environmental audit to see if the identified gaps are closed and to modify, if required the Environment and social management plan along with risk monitoring and review system.	PS1 – ESAMS
3.	ESDS should prepare a register which specifies applicable environment and social norms and regulations. It should also record the status on compliance status against issued permits.	PS1- ESAMS
4.	ESDS should review Visitor entry and management system, Emergency evacuation plan, display of safety and emergency guidelines	PS1 – ESAMS, Emergency Preparedness ss and Response
5.	SOP's and protocols in case of emergency and security threats for all possible scenarios should be drafted along with relevant trainings to employees.	PS1 –  ESAMS, Emergency Preparedness and Response

## PART II

Articles 1 to 26 contained in Part A of Part II of these articles of association shall be applicable in so far and to the extent they are not contrary to or inconsistent with the provisions of Part B of Part II of these articles of association. In the event of any contradiction, conflict or inconsistency between any provisions of Part B of Part II of these articles of association and any other articles contained in Part A of Part II of these articles of association, articles contained in Part B of Part II of these articles of association hereto shall override and prevail. Further, Article IV (c) of Part A of Part II of these articles of association shall be deemed to have been included in Part B of Part II of these articles of association.

## PART A

### I. PRELIMINARY

1. The provisions contained in these Articles shall have an overriding effect on the provisions contained in the previously existing Articles of Association of the Company.

2. Subject as hereinafter provided, the regulations contained in or made applicable by Table "F" in the First Schedule to the Companies Act, 2013 and applicable to private companies (which regulations are hereinafter called Table "F") shall apply to the Company to the extent they are not in conflict with any provision of these Articles and/or the Share Subscription and Shareholders' Agreement., but in case of variation or inconsistency between these Articles and Table "F", these Articles shall prevail.

### II. Interpretation

(1) In these regulations—

(a) "the Act" means the Companies Act, 2013,

(b) "the seal" means the common seal of the company.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### IV. SHARE CAPITAL

a) The Authorized Share Capital of the Company shall be such amounts and be divided into such shares as mentioned in Clause V of the Memorandum of Association from time to time. The Company has power from time to time, to alter the Memorandum of Association by ordinary resolution, to (a) increase or reduce its capital; (b) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and (f) to divide the shares in the capital for the time being into other classes including non-voting shares and shares with differential rights as to dividend and to attach thereto respectively such preferential, deferred, or other special rights, privileges, conditions or restrictions, as may be determined by the Directors in accordance with the provisions of the Act in force and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by these Articles or the legislative provision for the time being in force in that behalf.

b) The minimum Paid-up capital of the Company shall be Rs. 1,00,000/- (Rupees One Lakh only) or such higher amount as may be prescribed from time to time.

#### IV A. Share capital and variation of rights

4. 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.

5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued with the provisions of the Articles of Association of the Company and the applicable Law.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

7. 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.

8 (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating 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.

10. 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 share ranking *pari passu* therewith.



## **V. LIEN**

12. The Company shall have a first and paramount lien –

- a) on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time, in respect of that share; and
- b) on all shares (not being fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

13 The Company's lien, if any, on a share shall extend to all Dividends payable thereon.

14 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, and
- b) until the expiration of 14 (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.

15. a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser(s) thereof.

b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

c) The purchaser shall not be bound to see 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.

16 a) The proceeds of the sale shall be received by the Company and applied in the payment of such part of the amount in respect of which the lien exists as is presently payable.

b) 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.

## **VI. CALLS ON SHARES**

17. (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 share or be payable at less than one month from the date fixed for the payment of the last preceding call

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board

18. 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 installments.

19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

20. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

21. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

22. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

## VII. TRANSFER AND TRANSMISSION OF SHARES

### Transfer of shares

23. (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.

24. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

25. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

26. 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.

### Transmission of shares

24. (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 shareholder, shall be the only persons recognized 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.

25. (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.

26. (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.

27. 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 complied with.

## **VIII. FORFEITURE OF SHARES**

28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

29. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

30. 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

31. (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.

32. (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.

33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **IX. ALTERATION OF CAPITAL**

35. 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.

36. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

37. Where shares are converted into stock,—

(a) 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.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such 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.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### **X. CAPITALISATION OF PROFITS**

39. (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—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) 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;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **XI. BUY-BACK OF SHARES**

41. 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.

#### **XII. GENERAL MEETINGS**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.

43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **XIII. PROCEEDINGS AT GENERAL MEETINGS**

44 (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

45 . The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

46. 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.

47. 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.

### **XIV. ADJOURNMENT OF MEETING**

48 . (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.

### **XV. VOTING RIGHTS**

49. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

51. (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.

52. 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.

53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

54. 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.

55. (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.

#### **XVI. PROXY**

56. 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.

57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

58. 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.

#### **XVII. BOARD OF DIRECTORS**

59. The first Directors of the Company shall be:

- a) PIYUSH PRAKASHCHANDRA SOMANI
- b) SARLA PRAKASHCHANDRA SOMANI

60. (i) Subject to Article 41(a), Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

(ii) The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

(iii) Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 40. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

(iv) Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

(v) **INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment

of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

(vi) **REMUNERATION OF DIRECTORS**

Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole- time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(vii) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(viii) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(ix) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

(x) **SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

(xi) **MISCELLANEOUS EXPENSES OF DIRECTORS**

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them : (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. 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.

63. 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.

64. 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.

65. (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.

**XVIII. PROCEEDINGS OF THE BOARD**

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.



(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

67. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

68. 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.

69. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

70. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

71. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

72. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

73. 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.

74. 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.

**XIX. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

77. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director

and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## **XX. THE SEAL**

79. (i) The Board shall provide for the safe custody of the seal.

(ii) 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 or of the secretary or such other person as the Board may appoint for the purpose; and those two directors or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **XXI. BORROWING POWERS**

79. Subject to Section 180 and other applicable provisions of the Act, if any, the Board may from time to time and at its discretion, by a resolution passed at a meeting of the Board accept deposits from members and/or directors, and generally raise or borrow with or without security or secure the payment of any sum or sums of money for the Company.

80. The payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board by the issue of Debentures of the Company charged upon all or any part of the property of the Company (both present and future) and Debentures and other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued.

81. Any Debentures or other securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares on surrender and with special privileges as to redemption, drawings, allotment of shares, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

82. The Board may from time to time and at its discretion, by a resolution passed at a meeting of the Board, accept from any member the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up.

83. The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the Debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures. Further, the Company may, keep in any country outside India, in such manner as may be prescribed by the Act, a part of the register of debenture holders and register of security holders called "foreign register" containing the names and particulars of the members, debenture holders, other security holders or beneficial owners residing outside India, if any.

84. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

## **XXII. DIVIDENDS AND RESERVE**

85. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

86. 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.

87. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be

employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

88. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

88. 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.

90. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

91. 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.

92. 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.

93. No dividend shall bear interest against the company.

### **XXIII. ACCOUNTS**

94. (i) 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.

(ii) 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.

### **XXIV. WINDING UP**

95. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**XXV. INDEMNITY**

96 . 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.

**XXVI. ARBITRATION**

97. Whenever any difference or disputes arises between the Company on one hand and any of the members or either heirs, executors, administrators or assigns on the other hand or between the members interests or their executors, administrators or assigns interests touching the true intent or construction or the incidents or consequences of these presents or the statutes or touching anything when or thereafter done, executed, omitted or suffered in pursuance of these presents or the statutes or touching any breach or otherwise relating to the promises or to these presents or to any officers of the Company every such difference or dispute shall be referred to the decision of an arbitrator to be appointed by the parties to dispute or in difference or if they cannot agree upon a single arbitrator to the decision of two arbitrators of whom one shall be appointed by each of the parties of dispute or in difference such arbitration will be governed by the laws for the time being in force.

## PART B

**SPECIAL PROVISIONS AS PER THE SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT (“AGREEMENT OR SSSHA”) DATED MAY 31, 2018 ALONG WITH (i) THE AMENDMENT MADE TO THE SSSHA VIDE SHARE SUBSCRIPTION CUM AMENDMENT TO THE SSSHA DATED JULY 30, 2019, (ii) THE AMENDMENT MADE TO THE SSSHA VIDE SECURITIES SUBSCRIPTION CUM AMENDMENT TO THE SSSHA DATED MAY 23, 2020, and (iii) THE AMENDMENT MADE TO THE SSSHA VIDE INVESTMENT CUM THIRD AMENDMENT TO THE SSSHA DATED AUGUST 06, 2021, AS ENTERED INTO BETWEEN THE COMPANY AND ALL ITS SHAREHOLDERS.**

For the purposes of interpretation of this Part B of Part II of these Articles, wherever the term “Agreement” is used under this Part, the same shall be read as “Articles of Part B” and wherever the term “Clause(s)” have been used, the same shall be read as “Article(s)” under this Part B of Part II of these Articles and shall refer to the respective Article hereunder.

Further, provisions of Section 47 of the Act shall not apply to the Company.

### 1. DEFINITIONS AND INTERPRETATION

The definitions and rules of interpretation in this clause apply in Part B of Part II of these Articles.

#### 1.1. Definitions

In the Agreement (including the Recitals above and the Schedules hereto), except where the context otherwise requires, the following words and expressions shall have the following meaning:

1.1.1. “**Act**” means the (Indian) Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein) and the (Indian) Companies Act, 1956 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing.

1.1.2. “**Action Plan**” means the plan made and mutually agreed between the Investor and the Promoters attached under **Schedule VII** to the SSSHA, which sets out the specific environmental, social, labour, health and safety or security and environmental measures to be undertaken by the Company and the Group Companies, to enable the Business of the Company and/or the Group Companies to be equipped, operated and undertaken in compliance with the Performance Standards and which will be revised in accordance with Clause 12.13 on an annual basis.

1.1.3. “**Additional Investment**” shall have the meaning provided under Clause 5.5 of the SSSHA.

1.1.4. “**Additional Subscription Shares**” shall have the meaning as provided under Clause 5.5 of the SSSHA.

1.1.5. “**Affiliate**” means (i) in relation to any individual, a Relative of such individual; and (ii) in relation to any other Person, any entity Controlled, directly or indirectly, by that Person (and/or any of his Relative), any entity that Controls, directly or indirectly, that Person, any entity under common Control with that Person. For the purpose of this definition, a holding company or subsidiary of any entity shall be deemed to be an Affiliate of that entity.

Without limiting the generality of the foregoing, Affiliate in relation to Investor includes: (i) one or more funds, collective investment schemes, trusts, partnerships, special purpose or other vehicles, in which Investor is a general or limited partner, significant shareholder, sponsor, investment manager, investment advisor, settlor, member of a management or investment committee or trustee; (ii) any one or more general partner of the Investor; (iii) any one or more nominees of the Investor; and (iv) any one or more funds, collective investment schemes, trusts, partnerships, special purpose or other vehicles in which any general partners of the Investor is a general partner, limited partner, sponsor, significant shareholder, investment manager, investment advisor, settlor, member of a management or investment committee or trustee, currently or in the future.

1.1.6. “**Agreement or SSSHA**” means the share subscription cum shareholders agreement dated May 31, 2018 and all Annexures, Schedules, Exhibits and instruments (including Share Subscription cum Amendment to the SSSHA, the Securities Subscription cum Amendment to the SSSHA and the Investment cum Amendment to the SSSHA) supplemental to or amending, modifying or confirming the Agreement, in accordance with the provisions

of the Agreement.

1.1.6. “**Anti-Corruption Laws**” shall have the meaning as ascribed to it in Clause 12.7.1.

1.1.7. “**Applicable S&E Law**” means all applicable Laws and consents of applicable Governmental Authorities setting standards / measures concerning environmental, social, labour, health and safety or security risks, including of the type specified in the Action Plan or imposing liability for the breach thereof.

1.1.8. “**Articles**” means the articles of association of the Company, as amended from time to time.

1.1.9. “**Assets**” of any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible, whether absolute, accrued, contingent, fixed or otherwise and wherever situated), including the goodwill related thereto, operated, owned or leased by such Person, including without limitation cash, cash equivalents, investment assets, accounts and notes receivable, chattel paper, documents, instruments, general intangibles, real estate, equipment, inventory, goods and Intellectual Property Rights.

1.1.10. “**Audit Right**” shall have the meaning as ascribed to it in Clause 3.5.

1.1.11. “**Auditor**” means any reputable firm of chartered accountants appointed from time to time as the statutory auditor of the Company.

1.1.12. “**Big Four Auditors**” means one of the following accounting firms: Pricewaterhouse Coopers, Deloitte Touche Tohmatsu Limited, Ernst & Young and KPMG or any of their affiliates.

1.1.13. “**Board**” means the board of Directors of the Company as constituted from time to time.

1.1.14. “**Business**” shall mean the business of the Company i.e., providing turnkey IT & data centre solutions, transaction support services, trading of hardware & software products, web hosting (cloud) services including co-location, virtualization and disaster recovery hosting.

1.1.15. “**Business Day**” means any day of the week (excluding Saturdays, Sundays and public holidays) on which commercial banks are open for business in Mumbai, India.

1.1.16. “**Business Plan**” means the business plan as approved by the Investor in respect of the business of the Company.

1.1.17. “**Buy Back Notice**” shall have the meaning as ascribed to it in Clause 9.3.2.

1.1.18. “**Buy Back Price**” shall have the meaning as ascribed to it in Clause 9.3.1.

1.1.19. “**Buy Back Shares**” shall have the meaning as ascribed to it in Clause 9.3.2.

1.1.19A “**CCDs**” means the compulsorily convertible debentures of the Company, having a par value of INR 479 (Rupees Four Hundred and Seventy Nine) and having the rights, preferences and privileges as set out in **Schedule IV**.

1.1.20. “**Change in Control Tag Right**” shall have the meaning as ascribed to it in Clause 7.3.2.

1.1.21. “**Claim Letter**” shall have the meaning provided under Clause 14.2 of the SSSHA.

1.1.22. “**Claims**” means and includes, without limitation, all claims, losses, Liabilities, obligations, demands, actions, cause of action, suits, judgments, awards, fines, penalties, fees, settlements and proceedings, fines, costs, expenses (whether or not resulting from any Third Party claims), deficiencies, damages including those resulting from actions, proceedings, claims, interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys’ and accountants’ fees and disbursements, and deposits and guarantees required to be made in any proceedings and/or judicial awards.

1.1.23A “**Class B1 CCPS**” means the cumulative compulsorily convertible preference shares of the Company, having a par value of INR 10 (Rupees Ten), having a premium of INR 469 (Rupees Four Hundred and Sixty Nine)

per Class B1 CCPS, and having the rights, preferences and privileges as set out in Schedule V.

**1.1.23B “Class C CCPS”** means the cumulative compulsorily convertible preference shares of the Company, having a par value of INR 10 (Indian Rupees Ten), having a premium of INR 285 (Indian Rupees Two Hundred and Eighty Five) per Class C CCPS, and having the rights, preferences and privileges as set out in Schedule VI.

1.1.23. **“Closing”** shall have the meaning as ascribed to it in the Share Subscription Agreement and Share Purchase Agreement, respectively.

1.1.24. **“Closing Date”** shall have the meaning as ascribed to it in the Share Subscription Agreement and Share Purchase Agreement, respectively. It is hereby clarified that, in the event Closing takes place on different dates under the Share Subscription Agreement and the Share Purchase Agreement, then ‘Closing Date’ for the purposes of the Agreement means the date on which Closing takes place first between either of the said agreements.

1.1.25. **“Committees”** shall have the meaning as ascribed to it in Clause 4.4.

1.1.26. **“Competitor”** means (i) any Person who is, directly or indirectly, engaged in any commercial activity which is the same as and/or similar to the Business or which competes with the Business (**“Relevant Person”**); and/or (ii) any Person in Control of, Controlled by or under common Control with, the Relevant Person.

1.1.27. **“Confidential Information”** shall have the meaning provided under Clause 17.1 of the SSSHA.

1.1.28. **“Control”** means the possession, directly or indirectly, of the power to control, direct or cause the direction of the management or policies of a Person (including by reason of the power to veto any business decision relating to operations or management), whether (i) through ownership of 26% of voting shares where the controlled entity is an unlisted entity and in case where the controlled entity is listed entity through ownership of largest number of voting shares; or (ii) by contract; or (iii) otherwise (and the term, “controlled by”, “controlling” and “under common control with” shall be construed accordingly).

1.1.29. **“Debt”** means at any time the aggregate of the outstanding principal amount of any monies borrowed or due by the Company of whatsoever nature together with any unpaid interest thereon.

1.1.30. **“Deed of Accession Cum Amendment”** shall have the meaning as provided under the SSSHA.

1.1.31. **“Deed of Adherence”** shall have the meaning as ascribed to it in Clause 6.5.

1.1.32. **“Default Notice”** shall have the meaning provided under Clause 13.3.1.

1.1.33. **“Defaulting Party”** shall have the meaning provided under Clause 13.1.

1.1.34. **“Dilution Instruments”** includes any Shares, Securities, rights, options, warrants or arrangement (whether oral or in writing) which are convertible into or entitle the holder to acquire or receive any Shares of the Company, or any rights to purchase or subscribe to Shares or securities by their terms convertible into or exchangeable for Shares; excluding any arrangement (whether oral or in writing) binding the Company pursuant to which a bank or a financial institution is entitled to convert any amount due to it into Shares upon default by the Company, and provided that such default has not occurred as of the relevant date.

1.1.35. **“Director”** means a director on the Board.

1.1.36. **“Dispute”** shall have the meaning provided under the SSSHA.

1.1.37. **“Drag Along Right”** shall have the meaning as ascribed to it in Clause 9.4.1.

1.1.38. **“Drag Along Shares”** shall have the meaning as ascribed to it in Clause 9.4.1.

1.1.39. **“Drag Sale”** shall have the meaning as ascribed to it in Clause 9.4.1.

1.1.40. **“Drag Sale Notice”** shall have the meaning as ascribed to it in Clause 9.4.2.

1.1.41. **“Dragged Shareholders”** shall have the meaning as ascribed to it in Clause 9.4.1.

1.1.42. “**Effective Date**” shall have the meaning provided under the SSSHA.

1.1.43. “**Encumbrances**” means, without limitation, any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, Transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same.

1.1.44. “**Environmental Law**” means any statutory Law, regulation, or other law and legally mandatory statutory guidance and the like in India relating to the environment, pollution of the environment, human health or safety or the welfare of any other living organism which applies to the company concerned, its premises or its activities.

1.1.45. “**Equity Shares**” means ordinary equity shares with voting rights having face value of INR 10 (Rupees Ten Only) each in the capital of the Company as may be consolidated or sub-divided from time to time.

1.1.46. “**ESDS Internet**” means and refers to ESDS Internet Services Private Limited having its registered office at 32, Neha Bungalow, Cherry Hill Pipeline Road, Anandvalli, Nashik Maharashtra - 422013.

1.1.47. “**ESOP Plan**” shall have the meaning provided under clause 12.7.5

1.1.48. “**Event of Default**” shall have the meaning provided under Clause 13.1.

1.1.49. “**Execution Date**” means the date on which execution of the SSSHA was completed by all the Parties.

1.1.50. “**Exit Date**” shall have the meaning as ascribed to it in Clause 9.

1.1.51. “**Fair Value**” means the fair market value of the Investor Shares determined based on the valuation determined by two independent investment bankers of repute appointed by the Investor.

1.1.52. “**Financial Year**” means the period commencing from April 1 of each calendar year and ending on March 31 of the succeeding calendar year, or such other period as may be determined by the Board, with the consent of the relevant Governmental Authority, if applicable, to be the financial year for the Company.

1.1.53. “**First Adjourned Meeting**” shall have the meaning as ascribed to it in Clause 4.9.

1.1.54. “**Fully Diluted Basis**” means a calculation made assuming that all outstanding Securities are converted (or exchanged or exercised) into Equity Shares of the Company (whether or not by their terms then currently convertible, exercisable or exchangeable), including without limitation stock options whether granted or not (including employee stock options), warrants and any outstanding commitments to issue Equity Shares at a future date, whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged into Equity Shares of the Company in accordance with the terms of their issuance and the effect of any anti-dilution protection regarding previous financings, all on an “as if converted” basis.

1.1.56. “**Governmental Authority**” means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

1.1.57. “**Group Company**” or “**Group Companies**” means the holding, subsidiary, associate and any other group company of the Company, which are Controlled by the Company or the Promoters, directly or indirectly, or through their Affiliates or Relatives, or in whose Control the Company operates.

1.1.58. “**Hazardous Substance**” means any substance used for conducting the Business of the Company or the Group Companies that (i) is or contains asbestos, urea formaldehyde insulation, polychlorinated biphenyls, petroleum or petroleum products, radon gas, microbiological contamination or related materials, or (ii) is defined, listed or identified as a ‘hazardous substance’, ‘toxic substance’ or words similar import under any Environmental



Law.

1.1.59. “**Indemnified Party**” or “**Indemnified Parties**” shall have the meaning as ascribed under Clause 14.1 of the SSSHA.

1.1.60. “**Indemnifying Parties**” shall have the meaning provided under Clause 14.1 of the SSSHA.

1.1.61. “**Information Notice**” shall have the meaning as ascribed to it in Clause 9.3.1.

1.1.62. “**INR**” or “**Rupees**” means the lawful currency of the Republic of India.

1.1.63. “**Inspection Right**” shall have the meaning as ascribed to it in Clause 3.5.

1.1.64. “**Intellectual Property Right(s)**” means (i) copyright, patents, database rights and rights in trademarks, designs, know-how and confidential information (whether registered or unregistered), (ii) applications for registration, and rights to apply for registration, of any of the foregoing rights and (iii) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world.

1.1.65. “**Investment Advisory Board**” shall have the meaning as ascribed to it in Clause 4.4.

1.1.66. “**Investment Committee**” shall have the meaning as ascribed to it in Clause 4.4.

1.1.67. “**Investor**” means and refers to, collectively, (i) SOUTH ASIA GROWTH FUND II, L.P. (“SAGF”), an entity incorporated in Canada and having its office at 199 Bay Street, Suite 5300, Toronto, Ontario, Canada M5L 1B9, (ii) GEF ESDS PARTNERS, LLC (“GEPL”) an entity incorporated in the United States of America and having its office at 2140 South Dupont Highway, Camden, Delaware 19934, USA, (iii) South Asia Growth Fund II Holdings LLC, an entity incorporated under the laws of the United States of America and having its office at 4800 Montgomery Lane, Suite 450, Bethesda, MD 20814, and (iv) South Asia EBT Trust, a trust in India represented by its trustee Orbis Trusteeship Private Limited, having its office at 5, Kamu Villa, Khotwadi, Sir Phiroz Shah Mehta Road Santacruz West, Mumbai 400054 .

1.1.68. “**Investor Alternate Director**” shall have the meaning as ascribed to it in Clause 4.6.1.

1.1.69. “**Investor Director**” or “**Investor Directors**” means the nominees of Investor, who are appointed as a Director on the Board as more specifically described in Clause 4.2.2.

1.1.70. “**Investor Protection Matters**” shall have the meaning as ascribed to it in Clause 4.12.

1.1.71. “**Investor’s Transferee**” shall have the meaning provided under the SSSHA.

1.1.72. “**IPO**” means initial Public Offering of the Shares of the Company resulting in its listing on a Stock Exchange.

1.1.73. “**IRR**” or “**Internal Rate of Return**” means the specified rate of return (determined on Net Capital Gain basis) to be received by the Investor on the amounts invested by Investor in the Company or towards acquisition of any securities of the Company (including, but not limited to, any future investments and any investment made under the Share Purchase Agreement and the Share Subscription Agreement), sufficient to cause the Investor to have received, as of the date of determination, an aggregate internal rate of return of such specified rate per annum on the aggregate of the amounts invested by the Investor. For such purposes, the IRR shall be calculated using the “**xIRR**” function in Microsoft Excel.

1.1.74. “**Investment Advisory Board**” shall have the meaning as ascribed to it in Clause 4.4.

1.1.75. “**Investor Shares**” means the Shares held by the Investor in the Company as on the Effective Date or at any time thereafter.

1.1.75 A. “**Investment Agreement cum Third Amendment to the SSSHA**” means the investment agreement cum third amendment agreement dated 6<sup>th</sup> August 2021 executed inter alia between the Company, Promoters, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust.

1.1.76. “**Key Man Event**” means an event where Promoter 1 either (a) ceases to actively participate in the management of the Company or (b) is deceased or becomes permanently incapacitated or disabled.

1.1.77. “**Key Managerial Personnel**” means and includes Mr. Piyush Somani, Dr. Rajeev Papneja, Ms. Komal Somani, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, Chief Human Resources Officer, and such other managerial personnel, as may be approved/removed by the Board from time to time with a prior written consent of the Investor.

1.1.78. “**Law(s)**” mean all applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgements, decrees or other requirements or official directive of any Governmental Authority or Person acting under the authority of any Governmental Authority and/or of any statutory authority in India.

1.1.79. “**Liabilities**” means any and all Debts, contractual, statutory and other liabilities of whatsoever nature, obligations, claims, damages, expenses whether accrued or fixed, absolute or contingent, matured or unmatured, or determined or determinable, including, without limitation, those arising under any Law, action or order by any Governmental Authority and includes but not limited to those arising under any contract, agreement, arrangement, commitment or undertaking.

1.1.80. “**Losses**” shall have the meaning provided under the SSSHA.

1.1.81. “**Liquidation Event**” means and includes:

- i. liquidation, dissolution or winding up or any other similar proceedings with respect to the Company; or
- ii. a merger, acquisition, change of Control, consolidation, sale of Shares (including a Strategic Sale) or other transaction or series of transactions in which the Promoters of the Company prior to such transaction(s) will not: (a) retain a majority of the voting power of the surviving entity, or (b) control the board of directors of the surviving entity; or
- iii. an application for insolvency under section 7, 8 and/or 9 of the Insolvency and Bankruptcy Code, 2016 made to the National Company Law Tribunal (any other Governmental Authority); or
- iv. an appointment of a receiver, administrative receiver, official liquidator, trustee, or any other similar officer over Company’s undertaking or corporate entity or a material part of its Assets or undertaking; or
- v. a sale, lease, license or other Transfer of all or substantially all the Company’s Assets.

1.1.82. “**Material Contracts**” in relation to the Company, means any contract or agreement of any nature whatsoever entered by the Company:

- i. in its ordinary course of Business under which the amount of money payable or other consideration or value of the same exceeds the aggregate amount of INR 50,00,000 (Rupees Fifty Lakhs Only) over the tenure of such contract, or arrangement; or
- ii. which (i) grants management, operational or voting rights in the Company, as the case may be, to any Person; or (ii) is a non-competition contract restricting in any way the business activities of the Company; (iii) provides for sharing of the revenue of the Company with any third party in excess of INR 50,00,000 (Rupees Fifty Lakhs Only) or (iv) is a contract with any third party relating to the use of Assets of the Company.

1.1.83. “**Material Adverse Effect**” means (A) any event, change, effect or consequence of any state of facts, development, circumstance, occurrence or condition which has caused, or may cause, in the reasonable opinion of the Investor, as of any date of determination, a material and adverse effect on the business or operations, condition (whether financial or otherwise), Assets (including intangible assets) and liabilities (including intangible liabilities) or results of operations of the Company; and/or (B) an impairment in the ability of the Company or Promoters to perform their obligations hereunder or to consummate the transactions contemplated under the Agreement or other Transaction Documents; and/or (C) the validity, legality or enforceability of the rights, benefits, privileges or remedies of the Investor, under the Agreement or other Transaction Documents.

1.1.84. “**Material Breach**” means:

- i. any breach of the terms of the Transaction Documents by the Company and/or any of the Promoters or any of their covenants, undertakings, representations, warranties or indemnities in either of the Transaction Documents;
- ii. conviction of any of the Promoters by a court of competent jurisdiction for any criminal offence involving moral turpitude, where such offence is of a nature that any further association with any of the Promoters could constitute a reputational risk to the Company and/or the Investor;
- iii. occurrence of a Key Man Event or a Material Adverse Effect;
- iv. involuntary cessation of Business of the Company where pursuant to such involuntary cessation, the Business has not re-commenced for a period of 60 (sixty) days;
- v. any wilful act or deliberate omission by any of the Promoters which results directly or indirectly in a breach of applicable Law prejudicing or jeopardizing the Company, its Business or any portion thereof; and/or
- vi. (A) proceedings for voluntary winding up have been initiated in relation to the Company; or (B) a receiver, administrator or liquidator has been appointed over the Assets or undertaking or any substantial part of them in relation to the Company and such appointment is not revoked or discharged within 30 (thirty) days from the date of appointment; or (C) the Company has entered into or resolved to enter into an arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of creditors; or (D) proceedings are commenced (and such proceedings are not vacated within 90 (ninety) days of such commencement) to sanction such an arrangement, composition or compromise, other than for the purposes of a bona fide scheme of reconstruction, amalgamation or other like corporate actions.

1.1.85. “**Maximum Buy Back Shares**” shall have the meaning as ascribed to it in Clause 9.3.1.

1.1.86. “**Memorandum**” means the memorandum of association of the Company, as amended from time to time.

1.1.87. “**Net Capital Gain**” means the capital gain received by the Investor at the time of its exit over and above the aggregate amounts invested / paid by the Investor (or by any of its one or more Affiliates) to subscribe or acquire any Securities of the Company pursuant to the Transaction Documents (including by virtue of Additional Investment hereunder) after deduction of necessary costs and Taxes payable by the Investor for such exit.

1.1.88. “**New Buyer**” shall have the meaning as ascribed to it in Clause 9.4.1.

1.1.89. “**New Issue**” shall have the meaning as ascribed to it in Clause 8.1.

1.1.90. “**New Issue Price**” shall have the meaning as ascribed to it in Clause 8.1.

1.1.91. “**Non Defaulting Party**” shall have the meaning provided under Clause 13.3.1.

1.1.92. “**Notice**” shall have the meaning provided under the SSSHA.

1.1.93. “**Notify**” or “**Notification**” or “**Notified**” means the act of providing a notice in writing, including electronic means.

1.1.94. “**Observer**” shall have the meaning as ascribed to it in Clause 4.5.

1.1.95. “**OFAC**” shall have the meaning as ascribed to it in Clause 12.10.1.

1.1.96. “**Offer Notice**” shall have the meaning as ascribed to it in Clause 5.2.1.

1.1.97. “**Owner**” shall have the meaning provided under the SSSHA.

1.1.98. “**Performance Standards**” means International Finance Corporation’s Performance Standards on Social and Environmental Sustainability, dated January 1, 2012, copies of which have been delivered to and receipt of which has been acknowledged by the Company and the Promoters.

1.1.99. “**Person(s)**” means any individual, sole proprietorship, unincorporated association, body corporate, corporation, company, partnership, limited liability company, joint venture, Governmental Authority or trust or any other entity or organization (whether or not having a separate legal personality).

1.1.100. “**Preference Amount**” shall have the meaning as ascribed to it in Clause 11.1.1.

1.1.101. “**Preference Shares**” means preference shares having face value of INR 100 (Indian Rupees One Hundred) each in the share capital of the Company.

1.1.102. “**Pro Rata Share**” means that portion of the Dilution Instruments that equals the ratio that (i) the number of Shares owned by the relevant Shareholder (measured on a Fully Diluted Basis) bears to (ii) the total number of Equity Shares of the Company then outstanding (measured on a Fully Diluted Basis) while excluding from such calculations the Dilution Instruments to be issued by the Company at the time of making such calculation.

1.1.103. “**Promoter 1**” means and refers to Mr. Piyush Somani, an Indian citizen resident in India, aged 38 years, with permanent account number AVQPS7405L and residing at 32, Neha Bungalow, Cherry Hill, Pipeline Road, Gangapur Road, Nashik – 422013, Maharashtra.

1.1.104. “**Promoter 2**” means and refers to Mrs. Sarala P. Somani, an Indian citizen resident in India, aged 60 years, with permanent account number AZEPS4817L and residing at 32, Neha Bungalow, Cherry Hill, Pipeline Road, Gangapur Road, Nashik – 422013, Maharashtra.

1.1.105. “**Promoters Directors**” shall have the meaning as ascribed to it in Clause 4.2.1.

1.1.106. “**Proposal**” shall have the meaning as ascribed to it in Clause 7.2.1.

1.1.107. “**Proposed Transferee**” shall have the meaning as ascribed to it in Clause 7.2.1.

1.1.108. “**Public Offer**” means closing of a public offering of the Shares on any Stock Exchange, whether in the form of a primary issuance or an offer for sale or a combination of a primary issuance and an offer for sale.

1.1.109. “**Qualified IPO**” means closing of a firmly underwritten qualified Public Offer of the Shares of the Company on the main bourse of the Stock Exchange where valuation of the Company, immediately prior to the Public Offer, is in excess of INR 650,00,00,000 (Rupees Six Hundred Fifty Crore Only) and the issue size is in excess of INR 250,00,00,000 (Rupees Two Hundred Fifty Crore Only), as the case may be.

1.1.110. “**Recipient**” shall have the meaning provided under the SSSHA.

1.1.111. “**Rectification Period**” shall have the meaning provided under Clause 13.3.1.

1.1.112. “**Related Party**” shall have the meaning as ascribed to it under section 2(76) of the Act.

1.1.113. “**Relative**” shall have the meaning as ascribed to it under section 2(77) of the Act.

1.1.114. “**Restated Articles**” means the restated and amended Articles, in conformity with the Transaction Documents, subject to applicable Law and as approved by the Investor.

1.1.115. “**Right of First Refusal**” shall have the meaning as ascribed to it in Clause 7.1.

1.1.116. “**Right to Maintain Capital**” shall have the meaning as ascribed to it in Clause 5.1.

1.1.117. “**ROFR Acceptance Notice**” shall have the meaning as ascribed to it in Clause 7.2.2.

1.1.118. “**ROFR Price**” shall have the meaning as ascribed to it in Clause 7.2.1.

1.1.119. “**ROFR Sale Shares**” shall have the meaning as ascribed to it in Clause 7.1.

1.1.120. “**SAGF**” means and refers to South Asia Growth Fund II, L.P., a limited partnership organized under the laws of Ontario, Canada and having its registered office at 199 Bay Street, Suite 5300, Toronto, Ontario, Canada M5L 1B9 and represented herein by its authorised signatory Mr. Stuart Barkoff.

- 1.1.121. **“Sale Shares”** shall have the meaning as ascribed to it in the Share Purchase Agreement.
- 1.1.122. **“Sanctions”** shall have the meaning as ascribed to it in Clause 12.10.1.
- 1.1.123. **“Schedule”** refers to the schedules listed in the Agreement and **“Schedules”** means a collective reference to the same.
- 1.1.124. **“Securities”** means shares in the share capital of the Company, including but not limited to Equity Shares, Subscription Shares, Preference Shares, Class A Preference Shares, CCDs, Class B1 CCPS, Class C CCPS or securities, convertible into or exchangeable for equity shares of the Company or stock appreciation rights, options, warrants or other rights to purchase or subscribe for equity shares of the Company or securities convertible into or exchangeable for equity shares of the Company.
- 1.1.123A **“Securities Subscription cum Amendment to the SSSHA”** means the securities subscription cum amendment agreement dated May 23, 2020 executed inter alia between the Company, Promoters and Investor”
- 1.1.125. **“Selling Shareholder”** shall have the meaning as ascribed to it in Clause 7.1.
- 1.1.126. **“Share Purchase Agreement”** means the share purchase agreement dated April 25, 2018 executed *inter alia* between the Parties hereto.
- 1.1.127. **“Share Subscription Agreement”** means the share subscription agreement dated April 25, 2018 executed *inter alia* between the Parties hereto.
- 1.1.127A **“Share Subscription cum Amendment to the SSSHA”** means the share subscription agreement dated July 30, 2019 executed between the Company, Promoters, GEPL, SAGF, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust.
- 1.1.128. **“Shares”** means and refers to the fully paid up Equity Shares of the Company and fully paid up Preference Shares, Class A Preference Shares, CCDs and Class B1 CCPS, Class C CCPS, in each case, issued by the Company.
- 1.1.129. **“Shareholder”** means and refers to any shareholder of the Company and **“Shareholders”** means and refers to all the shareholders of the Company.
- 1.1.130. **“SIAC”** means Singapore International Arbitration Center.
- 1.1.131. **“SIAC Rules”** shall have the meaning provided under the SSSHA.
- 1.1.132. **“Specified IPO”** shall have the meaning as ascribed to it in Clause 9.1.1.
- 1.1.133. **“Specified Subscriber”** shall have the meaning as ascribed to it in Clause 5.2.3.
- 1.1.134. **“Step Down Subsidiaries”** shall have the meaning as ascribed to it in Clause 12.14.4.
- 1.1.135. **“Stock Exchange”** means the National Stock Exchange, the Bombay Stock Exchange or such other recognized stock exchange, approved by the Investor and excludes any exchange trading platform for small and medium enterprise / SME trading platform.
- 1.1.136. **“Strategic Sale”** with respect to the Investor, means a transaction that enables the Investor to fully dispose up to all of its own then existing shareholding in the Company (held either directly or indirectly) after the Exit Date in favour of a third party strategic investor or a financial investor on such terms and conditions as may be acceptable to the Investor.
- 1.1.137. **“Strategic Sale Notice”** shall have the meaning as ascribed to it in Clause 9.2.2.
- 1.1.138. **“Strategic Sale Price”** shall have the meaning as ascribed to it in Clause 9.2.1.

1.1.139. “**Subscription Shares**” shall have the meaning as ascribed to it in the Share Subscription Agreement.

1.1.139A “**Subscription Securities**” shall mean such number of Class A Preference Shares (having such terms and conditions as provided under Schedule III hereto) as issued to South Asia Growth Fund II Holdings LLC and South Asia EBT Trust as per the terms of the Share Subscription cum Amendment to the SSSHA.

1.1.140. “**Tag Along Right**” shall have the meaning as ascribed to it in Clause 7.3.2.

1.1.141. “**Tag Along Shares**” shall have the meaning as ascribed to it in Clause 7.3.3.

1.1.142. “**Tax**” (including with correlative meaning, the terms “**Taxes**” and “**Taxation**”) means (a) any and all taxes, assessments and other charges, duties, impositions and similar liabilities imposed by any Governmental Authority, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added, withholding, payroll, excise and property taxes, together with all charges, interest, penalties, fines and additions imposed with respect to such amounts; (b) any liability for the payment of any amounts by the Company as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (c) any liability for the payment of any amounts by the Company as a result of any express obligation to indemnify any other Person or as a result of any obligation under any agreement or arrangement with any other Person with respect to such amounts and including any liability for Taxes of a predecessor entity.

1.1.143. “**Third Party**” means any Person that is not a signatory to the Agreement.

1.1.144. “**Transaction Documents**” includes the Agreement, the Share Purchase Agreement, the Share Subscription Agreement, Share Subscription cum Amendment to the SSSHA, the Securities Subscription cum Amendment to the SSSHA, the Deed of Accession cum Amendment, the Investment cum Third Amendment to the SSSHA, the Restated Articles, and all other agreements and documents that may be executed pursuant hereto and thereto.

1.1.145. “**Transfer**” means any reference to a transfer of Securities or other voting interests of a Party and shall include (i) any transfer or other disposition of such Securities or voting interests or any interest therein; (ii) any sale, assignment, gift, donation, redemption, conversion, Encumbrance, transfer or other disposition of such Shares or creation of any

Third Party interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Securities or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any Shares interest, lien, pledge / mortgage, encumbrance, hypothecation or charge in or extending or attaching to such Securities or any interest therein.

1.1.146. “**Transfer Notice**” shall have the meaning as ascribed to it in Clause 7.2.1.

1.1.147. “**Valid Quorum**” shall have the meaning as ascribed to it in Clause 4.9.

## 1.2. Interpretation

In Part B of Part II of these Articles, unless the context thereof otherwise requires:

1.2.1. Any reference to any statute or statutory provision shall include:

(i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

(ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of the Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under the Agreement prior to the Execution Date and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced.

1.2.2. Capitalised terms used herein but not defined shall have the meaning as ascribed to those terms in the other Transaction Documents.

- 1.2.3. Words in the singular shall include the plural and the plural shall include the singular.
- 1.2.4. References to the masculine, the feminine and the neuter shall include each other.
- 1.2.5. The terms “hereof”, “herein”, “hereby”, “hereto” and other derivatives or similar words, refer to this entire Agreement or specified Clauses of the Agreement, as the case may be.
- 1.2.6. References to a “**company**” shall include a company, corporation or other body corporate, wherever and however incorporated or established.
- 1.2.7. A reference to a **party** shall include that party's personal representatives, successors and permitted assigns.
- 1.2.8. The term **directly or indirectly** means directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and **direct or indirect** shall have correlative meanings.
- 1.2.9. Any words following the terms **including, include, in particular, for example or any similar expression** shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.2.10. Time is of the essence in the performance of the Parties’ respective obligations. If any time period specified herein is extended, such extended time shall also be of essence.
- 1.2.11. **Other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.2.12. References to a document in **agreed form** are to that document in the form agreed by the Parties and initialled by them or on their behalf for identification.
- 1.2.13. In determination of any period of days for the occurrence of an event or the performance of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last day of the period is not a Business Day, then the period shall include the next following Business Day.
- 1.2.14. The term **ordinary course of business** means an action taken by the Company and will be deemed to have been taken in the ordinary course of its business, only if such action is consistent with the past practices of the Company and is taken in the ordinary course of the normal day-to-day operations of the Company and such action is not required to be authorized at a meeting of the Board or shareholders of the Company (or by any Person or group of persons exercising similar authority) under Law or per the Charter Documents.
- 1.2.15. Unless the context otherwise requires, all the duties, liabilities and obligations of the Promoters under Part B of Part II of these Articles shall be on a joint and several basis.
- 1.2.16. Where it is provided that the Investor shall be entitled to subscribe / purchase Equity Shares / CCDs/ Class A Preference Shares/ Class B1 CCPS in the manner provided in the Agreement, it may do so through its one or more Affiliates.
- 1.2.17. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.2.18. The Parties agree that their respective rights and obligations under the Transaction Documents shall be interpreted, acted upon and governed in accordance with the terms and conditions of the Agreement and the Transaction Documents.
- 1.2.19. Unless otherwise specified or unless the context otherwise requires, reference to the term ‘Investor’ shall deem to mean and include reference to SAGF, GEF ESDS Partners, LLC (“**GEPL**”), South Asia Growth Fund II Holdings LLC and South Asia EBT Trust.
- 1.2.20. Promoter 1 and Promoter 2 shall hereinafter be individually referred to as a “**Promoter**” and collectively as the “**Promoters**”.
- 1.2.21. Unless otherwise specified or unless the context otherwise requires, reference to the term ‘Subscription Shares’ shall deem to mean and include the ‘Additional Subscription Shares’ and ‘Subscription Securities’.

1.2.22. The Parties agree that in case of any conflict or inconsistency between Share Subscription Agreement and / or Share Purchase Agreement with the SSSHA, the provisions of the SSSHA shall prevail. The Parties agree that in case of any conflict or inconsistency between Share Subscription Agreement and / or Share Purchase Agreement and/or Securities Subscription cum Amendment to the SSSHA with the SSSHA, the provisions of the Securities Subscription cum Amendment to the SSSHA, to the extent applicable, shall prevail.

## 2. EFFECTIVE DATE

2.1 The Parties agree and acknowledge that the Subscription Shares, and the Sale Shares will be subscribed and acquired by SAGF, GEPL, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust, pursuant to the terms of the Share Subscription Agreement, the Share Purchase Agreement and Share Subscription cum Amendment to the SSSHA. The Parties agree and acknowledge that the CCDs and the Class B1 CCPS will be subscribed and acquired by South Asia Growth Fund II Holdings LLC and South Asia EBT Trust, pursuant to the terms of the Securities Subscription cum Amendment to the SSSHA. Pursuant to the subscription of Subscription Shares and purchase of the Sale Shares by SAGF, GEPL, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust (represented through its trustee), and pursuant to the subscription of the CCDs and the Class B1 CCPS by South Asia Growth Fund II Holdings LLC and South Asia EBT Trust (represented through its trustee), all the rights available to the Investor hereunder and the Transaction Documents shall be available to SAGF, GEPL, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust. Accordingly, reference to the term 'Investor' hereunder shall deem to mean and include reference to SAGF, GEPL South Asia Growth Fund II Holdings LLC and South Asia EBT Trust.

## 3. INFORMATION AND INSPECTION RIGHTS

3.1 **Reports and Information.** Save as otherwise required under Applicable Law, as long as Investor holds Shares in the share capital of the Company, Investor shall be entitled to receive, from the Company, and the Promoters shall ensure that the Company provides, the following information in a format to the satisfaction of the Investor:

3.1.1 copies of management reports at the end of each month; amongst others, the management reports should summarize progress against annual budget, including (i) actual vs. forecast financial results, (ii) actual vs. forecast capital expenditures, and (iii) progress against business development targets, as well as noting of any significant operational issues;

3.1.2 unaudited monthly and quarterly financial statements within 20 (twenty) days after the end of each fiscal month and quarter, respectively;

3.1.3 audited financial statements within 120 (one hundred twenty) days after the end of each Financial Year, in each case showing changes from the applicable Business Plan for corresponding periods together with the annual report for the Financial Year comprising of (i) balance sheet; (ii) profit and loss statement; (iii) cash flow statement; and (iv) the management discussion and analysis of the operations of the company for that period;

3.1.4 (a) internal monthly and quarterly income, balance sheet and cash flow statements, debt schedule and order book for the Company; and (b) other information including correspondence with the Company's Auditors, litigation, filings made with Governmental Authorities, etc. within 30 (thirty) days after the end of each fiscal month and quarter, respectively;

3.1.5 monthly MIS and marketing reports in a format requested by the Investor either before or shortly after the Effective Date and within 30 (thirty) days after the end of each month in a format approved by the Investor;

3.1.6 detailed monthly financial projections for the ensuing Financial Year, prior to the beginning of each Financial Year;

3.1.7 minutes of the Shareholders' meetings, Board meetings and Committee meetings as soon as such minutes are prepared by the Company in accordance with applicable Law;

3.1.8 changes to the capital structure of the Company, including creation of any additional stock options pools, within 3 (three) Business Days of the Company being aware of such changes;

3.1.9 annual operating budget and annual Business Plan as approved by the Board within 7 (seven) days of the Board approving the same which will be approved at least 30 (thirty) days before the commencement of the



Financial Year;

3.1.10 changes relating to the employment of Key Managerial Personnel at least 1 (one) Business Day prior to the occurrence of such change or the management becoming aware of such change(s)/events;

3.1.11 cancellation or termination of Material Contracts and any event which is likely to have an impact on the Business of the Company within 3 (three) Business Days of the management becoming aware of such change(s)/event(s);

3.1.12 other than in the ordinary course of its business, communications between the Company, and (i) its Auditors or (ii) any Governmental Authorities, within 3 (three) Business Days of the Company receiving / issuing such communication;

3.1.13 any other information as may be required by the Investor within 7 (seven) Business Days of the request for such information being made by the Investor; and

3.1.14 information pursuant to the legal proceedings, within 3 (three) Business Days, of any and all developments therein and/or upon receipt of a written request from the Investor; provided that the financial statements shall include cash flow statements, profit and loss account and balance sheet and shall be prepared by the chief financial officer and approved and certified by the Promoters of the Company.

3.2 At the end of each Financial Year and within such reasonable time as may be decided by the Board, the Chief Financial Officer or any employee holding an equivalent position shall prepare such information as shall be necessary for the preparation of income tax returns and statements as may be required by each Party. This shall include furnishing the Investor with copies of government receipts for Taxes paid by the Company, if requested by the Investor.

3.3 The Promoters undertake to furnish to the Investor and the Board such information and data as may be required by them from time to time including the agenda and utilization of funds and other information as may be required by the Investor and the Board.

3.4 The Promoters shall forthwith notify the Investor and the Board the receipt by the Company of any notice of winding up or initiation or a threatened initiation of a legal action of any nature, which could have a Material Adverse Effect on the Company.

**3.5 Inspection Rights.** In addition to the information and materials to be provided under this Clause 3, the Investor and/or its representatives may visit the offices of the Company to inspect their books, Material Contracts, accounts and such other documents as the Investor may deem fit at its sole discretion and at cost to the Company (“**Inspection Right**”). Further, the Investor or its representative can conduct internal audits, at the cost of the Company (“**Audit Right**”); provided that, all costs arising out of an exercise of the Audit Right under this Clause 3.5 shall be borne by the Company. The scope of such audit shall solely be determined by the Investor. The Company and the Promoters shall render co-operation and provide such authorizations as may be required. Upon exercise of Audit Right, the Investor shall also have a right to consult with and receive information, documents and material about the business and operation of the Company that the Investor considers material, from the Company, its Board, Promoters, employees, vendors, consultants, counsel (internal or external) and internal and external auditors of the Company. The Company and/or the Promoters shall, where required, facilitate such consultation including by issuing appropriate instructions to the persons referred to above. The Investor may also nominate representatives or advisors to carry out such consultation or receive information.

#### **4. BOARD, MANAGEMENT AND RELATED MATTERS**

4.1 Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive, non-executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

4.2 Directors: The composition of the Board shall be as follows: -

4.2.1 The Promoters shall be entitled to nominate 3 (three) Directors on the Board (“Promoters Directors”). It is hereby confirmed that Promoter 1 shall be one of the Promoters Directors at all times that the Investor holds any Equity Shares in the Company.

4.2.2 The Investor shall be entitled to nominate and appoint its nominee directors on Board (“Investor Directors”) in proportion to its shareholding in the Company (on a Fully Diluted Basis), subject to the right to appoint a minimum of 2 (two) Directors.

4.2.3 Promoter 1 shall act as the Chairman of the Board and the Chairman shall not have a second or casting vote at all point in time.

4.3 Investor Directors. Subject to the above provisions, the Investor Directors nominated by the Investor to the Board may be removed, substituted or replaced by the Investor by sending a notice to the Company in this regard. The appointment, removal and substitution of an Investor Director shall take effect immediately upon receipt of a notice by the Company in this regard. The Company shall immediately and no later than 7 (seven) Business Days following receipt of a notice from the Investor and requisite documents from the appointed nominee in this regard, complete all corporate and regulatory formalities regarding such appointment, removal or substitution, as the case may be.

4.4 **Committees of the Board.** The Board shall set up audit, compensation and Environment, Social and Governance (“ESG”) committees and such other committees as may be deemed fit from time to time (“Committees”). The Investor Directors (including Investor Alternate Directors (defined below)) shall have the right to be a member of the Committees so constituted by the Board. The provisions of Clauses 4.8 to 4.12 shall, *mutatis-mutandis*, apply to meetings of the Committees. Without prejudice to the above, within 30 (thirty) days from the Effective Date, the Board shall set up an investment committee (“Investment Committee”) comprising of 2 (two) Promoter Directors and any one of the Investor Directors as its members. Investment Committee will formulate the strategy to bid for the project generating minimum equity IRR of 25% for the Company. The equity IRR will be computed factoring all the cash flows including direct and indirect expenses (appropriate allocation of overheads cost, working capital, reasonable leverage including related cost thereon, capital expenditure and any arrangement on construction or lease, any revenue sharing or hire purchase arrangements. This formula of computing 25% IRR shall be subject to the sole satisfaction of the Investor. The Investment Committee shall evaluate and assess (a) any new business proposal, bids (whether proposed to be made jointly by the Company or otherwise) including the tender documents with contract value amounting to INR 3,00,00,000 (Rupees Three Crore Only) or more; (b) purchase, lease, hire-purchase, revenue sharing of assets with contract value amounting to INR 2,00,00,000 (Rupees Two Crore Only) or more, and (c) any investments and terms and conditions in relation to any such new business proposal with contract value amounting to INR 3,00,00,000 (Rupees Three Crore Only) or more and shall review and make all decisions relating to such new proposal and mechanism for financing and refinancing thereof, unless the same is pre-approved under the Business Plan consented by the Investor. The Promoters and the Company confirm that all such new business proposals, bids, tender documents, etc. offered to the Company and/or the Promoters or obtained by the Company and/or the Promoters shall be forthwith referred to the Investment Committee for its consideration and approval. All decisions of the Investment Committee shall require the unanimous approval of its members.

Without prejudice to the above, the Board shall also set up an investment advisory board (“Investment Advisory Board”) comprising of industry veterans and experts as its constituent members in consultation with the Investor. Members of the Investment Advisory Board shall be identified by the Promoters and the Company and approved by the Investor. The Investment Advisory Board shall provide non-binding advice to the Company and guide the Company on its business, operations and administrative decisions and shall have a mentorship role towards the Company.

4.5 **Observer.** If the Investor has not appointed the Investor Directors on the Board or whenever the Investor Directors cease to be a Director on the Board for any reason whatsoever, the Investor shall have a right and will be entitled to appoint 1 (one) observer on the Board (“Observer”). The Observer so appointed by the Investor on the Board shall also have the right to be the observer to the meetings of the Committees. The Observer shall have the right to receive all notices, documents and information provided to the members of the Board and the Committees and shall be entitled to attend and speak, but not vote, issue directions and/or instructions at the meetings of the Board and the Committees. Further, the Observer shall not be considered for the constitution of a Valid Quorum (*as defined below*). The provisions of Clause 4.3 shall, *mutatis-mutandis*, apply to the appointment of Observer. It is clarified that the Investor Alternate Director (*as defined below*) can also act as Observer. The Company shall:

4.5.1 invite the Observer to attend all meetings of the Board as well as meetings of all the Committees and sub-Committees;

4.5.2 send the notices, agenda, minutes and other materials for all the meetings of the Board, and Committees and sub-Committees to the Observer;

4.5.3 send all circular resolutions circulated to the Directors to the Observer;

4.5.4 invite the Observer to take part in all discussions at meetings of the Board as well as meetings of all the Committees and sub-Committees, however, the Observer shall not be entitled to vote at such meetings of the Board or the Committees thereof;

4.5.5 reimburse travel expenses incurred for attending the meetings of the Board, the Committees and the sub-Committees in the same manner as applicable to Director; and

4.5.6 provide all such documents pertaining to the Company and its affairs as may be requested by the Observer within 7 (seven) days of such request being made by the Observer.

#### 4.6 Alternate Directors.

4.6.1 The Investor shall be entitled to appoint, remove and substitute an alternate Director to Investor's nominee Director ("**Investor Alternate Director**", and the term Investor Directors shall be deemed to include Investor Alternate Director to the extent an alternate director has been appointed). The Board shall ensure that the Person nominated by the Investor is appointed as the Investor Alternate Director, immediately upon notification by the Investor. The Company shall within 7 (seven) Business Days of notification in this regard complete all corporate and regulatory formalities regarding the appointment, removal or substitution of an Investor Alternate Director.

4.6.2 The Investor Alternate Director shall be considered for the constitution of Valid Quorum and shall be entitled to attend and vote at the meetings of the Board, and generally to perform all functions of the Investor Director in his or her absence. Upon the appointment of an Investor Alternate Director, all notices and other materials that are circulated to Directors shall be circulated to the Investor Alternate Director.

**4.7 Non-Executive Status and Indemnification.** The Company and the Promoters agree and acknowledge that the Investor Directors (which term for this Clause 4.7 includes Investor Alternate Director) shall be non-executive Directors. The Promoters and the Company expressly agree that the Investor Directors shall not be identified by the Company as officers in charge / default of the Company or occupiers of any premises used by the Company or an employer of the employees by the Company. Further, the Promoters and the Company undertake to appoint suitable persons as officers in charge / default and for the purpose of statutory compliances, occupiers or employers, as the case may be, in order to ensure that no act of the Company or the Promoters will cause the Investor Director(s) to incur any liability, whether actual or contingent, present or future, quantified or unquantified. Notwithstanding anything to the contrary in the Agreement, the Company shall indemnify and hold the Investor Directors harmless from all Claims and liabilities arising on account of their position as Directors. The Investor Directors shall not retire by rotation and shall not be required to hold any qualification shares. Termination of the Agreement, for any reason whatsoever, shall not affect the indemnification obligations of the Company and the Promoters towards the Investor Directors.

#### 4.8 Board and Committee Meetings.

4.8.1 The Board shall meet at least once every quarter. All expenses including travel, hotel and related expenses incurred by the Directors and Observer for attending meetings of the Board, Committees and Shareholders' meetings, shall be borne by the Company. It is clarified that Investor Directors shall not charge any directors' sitting fees for attending the Board meetings. Unless otherwise agreed to in writing by the Investor Director, the Company shall issue a prior written notice of at least 7 (seven) Business Days of the meeting of the Board to all the Directors. The notice of all meetings shall be given to all Directors and Observer irrespective of whether they are present in India or not, through electronic means (including e-mail and facsimile transmission), save except for the events which under the Act requires the notice of the meetings to be delivered by hand, courier or registered post.

4.8.2 Each notice of a meeting of the Board shall contain, inter alia, an agenda specifying in reasonable detail the

matters to be discussed and shall be accompanied by all necessary written information and documents. Subject to Clauses 4.9 and 4.12 below, the Board may consider any matter not circulated in the agenda with the consent of all the Investor Directors (regardless of their absence at the meeting). An Investor Director shall have the right to make alterations and additions to the agenda of the Board meeting at any time prior to the date of meeting of the Board or during the meeting to the remaining Directors including any addition of an Investor Protection Matter to the Board agenda, provided such Investor Protection Matter has been approved by the Investor in the manner stated in Article 4.12 of Part B of Part II of these Articles. It is clarified that if the Investor Director has proposed to include any specific agenda item, then, it will mandatorily form part of the Board agenda for the meeting without requiring any prior consent or permission of the Chairman

**4.9 Quorum.** A quorum for a meeting of the Board shall be 3 (three) Directors, out of which, presence of at least one of the Investor Directors shall be compulsory (“**Valid Quorum**”) at the beginning and throughout the meeting. If the Valid Quorum is not present within half an hour of the scheduled time of the meeting, the meeting shall stand adjourned to the 7th (seventh) day from the date of the non-quorate meeting with the location and time remaining the same. If such day is not a Business Day, the meeting shall be held on the next Business Day (“**First Adjourned Meeting**”). Any 3 (three) Directors present including at least one of them being the Investor Director at the First Adjourned Meeting shall constitute the quorum for such meeting and the Board may proceed to discuss and decide on the matters on the agenda as the original non-quorate Board meeting and any decisions so taken shall be binding. Subject to applicable Law, a meeting of the Board or any Committee thereof may be attended by a Director through teleconferencing or video conferencing or other electronic means. Provided that, (a) no business or items not being part of the agenda of the original non-quorate meeting shall be dealt with in such First Adjourned Meeting; and (b) no business concerning any of the Investor Protection Matters shall be discussed, approved or resolved upon except as specified in Clause 4.12 (*Investor Protection*).

**4.10 Resolutions.** Subject to Clause 4.12 (*Investor Protection*), the decision of the Board shall be said to have been made only (a) if such meetings are validly constituted and convened; and (b) such decisions are approved of by majority of the Directors present (physically or through any other means permissible by applicable Law) and voting at such meeting. The minutes of the meetings of the Board shall be written in English and shall be signed by the Directors. Subject to applicable Law, as soon as the chairman of the Board finalizes the minutes of the proceedings of the Board meeting, the draft of such minutes shall be circulated to the Investor Directors for their approval.

**4.11 Circular Resolutions.** Subject to applicable Law and Clause 4.12 (*Investor Protection*), the Board may act by circular resolution, on any matter, except matters, which by applicable Law may only be acted upon at a meeting of the Board. The notice for circular resolution shall be issued to all Directors and Observer and shall provide such information required to make a fully-informed good faith decision with respect to such resolution. Any resolutions passed as circular resolutions shall require the vote of a majority of the Directors; provided that, in case of an Investor Protection Matter, the consent of the Investor shall be mandatorily required. In case any Investor Protection Matter is being passed through a circular resolution, the process set out in Clause 4.12 (*Investor Protection*), shall be followed.

**4.12 Investor Protection.** Notwithstanding anything contained in these Articles: (a) if any Investor Protection Matter is proposed to be discussed at a Board, Shareholders’ or Committee meeting, the same must be included in the agenda of the meeting, which is circulated prior to such meeting; and (b) the Company shall not, and the Promoters shall ensure that the Company does not, pass any resolution or undertake any decision at a meeting of the Board or the Shareholders or otherwise, pertaining to any matter covered in Schedule I of Part B of Part II of these Articles hereof (“**Investor Protection Matters**”), without obtaining the written consent of the Investor. The rights relating to the Investor Protection Matters will be exercised between SAGF, GEPL, South Asia EBT Trust and South Asia Growth Fund II Holdings LLC based on their inter se shareholding majority in the Company (i.e. between SAGF, GEPL, South Asia EBT Trust, South Asia Growth Fund II Holdings LLC, the entity holding more Shares in the Company on a Fully Diluted Basis will have a right to decide on the Investor Protection Matters). It is clarified that SAGF, GEPL, South Asia EBT Trust, South Asia Growth Fund II Holdings LLC shall not act as an agent of each other or have any authority to act for or to bind each other. Nothing contained herein shall constitute or be deemed to constitute an association of persons between SAGF, GEPL, South Asia EBT Trust, South Asia Growth Fund II Holdings LLC. If any decision and/or resolution is effected without complying with the provisions of this Article 4.12, then (a) such decision or resolution (including a circular resolution) on an Investor Protection Matter shall not be valid or binding on any Person including the Company; and (b) the Company shall not take any action pursuant to such decision or resolution unless the consent from Investor, is obtained for the same. The Company and the Promoters shall provide all necessary information and material to the Investor to enable them to make a decision relating to the Investor Protection Matters. It is hereby agreed and

acknowledged that the Company shall, in relation to the Investor Protection Matters (in respect of any Group Company), exercise its voting rights in the Group Company (in the capacity of a shareholder in such Group Company) so as to give effect to the provisions of this Article 4.12 and shall cause the directors appointed by it to the board of directors of any Group Company, to give effect to the provisions of this Article 4.12 to each of such Group Company. The Company and the Promoters shall ensure that all of the rights, preferences and privileges of the Investor which are contained in these Articles, including all management, board and shareholders principles set out in these Articles, shall be continuously made applicable to each of the present and future Group Companies of the Company mutatis mutandis and shall form part of the memorandum and articles of association or other charter documents of such Group Companies till such time Investor holds any Security in the Company.

**4.13 Shareholders' Meetings.** A general meeting of the Shareholders shall be convened by serving at least 21 (twenty one) calendar days written notice to all the Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the general meeting; provided that, a general meeting may be convened by a shorter notice with the prior written approval of the Investor. The Investor shall have the right to make alterations and additions to the agenda of the Shareholders' meeting. The changes / alterations to the agenda being proposed by the Investor shall be addressed to the Board by way of a notice which shall be issued by the Investor at least 10 (ten) Business Days prior to the date of Shareholders meeting. It is clarified that if the Investor has proposed to include any specific agenda item then it will mandatorily form part of the Shareholders' meeting agenda without requiring any prior consent or permission of the Chairman. Upon receipt of the notice being referred to in the preceding sentence, the Board shall communicate the same to the Shareholders, without any delay. The notice of all meetings shall be given to all the Shareholders irrespective of whether they are present in India or not through electronic means (including e-mail or facsimile transmission) or by letter (delivered by hand, courier or registered post).

**4.13.1 Frequency.** The Company's annual general meeting shall be held once annually in accordance with the Act. Without prejudice to the provisions of Clause 3, the Board shall provide the Company's previous Financial Year's audited financial statement to all the Shareholders (including the Investor) at least 1 (one) month before the annual general meeting of the Company is held to approve and adopt the audited financial statement of the Company.

**4.13.2 Quorum.** The quorum at Shareholder's meeting shall not be complete unless the authorized representative(s) of the Investor and the Promoters is present in person or through proxy at the start and throughout the meeting, unless otherwise consented to, in writing. If for any reason quorum is not present, the meeting shall stand adjourned by 7 (seven) Business Days and for such adjourned meeting irrespective of the presence of the representatives of all the Investor and/or the Promoters, the Company shall proceed with the meeting, subject to availability of quorum required under Applicable Law, provided however, no: (a) items which have not been included in the agenda of the original meeting shall be included in such first adjourned meeting; and (b) Investor Protection Matters shall be discussed or resolved upon at such meeting, unless the provisions of the foregoing clause (a) herein and Clause 4.12 have been satisfied.

**4.13.3** All expenses including travel, hotel and related expenses incurred by the Investor or their nominees / representatives for attending Shareholders' meeting shall be borne by the Company.

**4.13.4** Subject to Clause 4.12 (*Investor Protection*), any resolutions passed at a Shareholders' meeting shall require (i) in case of an ordinary resolution (*as defined under the Act*); that the votes cast by the Shareholders present and voting in favour of the resolution exceed the votes cast against the resolution by the members present and voting; and (ii) in case of a special resolution (*as defined under the Act*); the votes cast by the Shareholders present and voting in favour of such resolution should be equal to or more than three times the number of votes cast by the Shareholders present and voting against such resolution.

**4.13.5 Circular Resolutions.** Subject to applicable Law and Clause 4.12 (*Investor Protection*), the Shareholders may act by circular resolution, on any matter, except matters, which by applicable Law may only be acted upon at a meeting of the Shareholders.

**4.13.6** The notice for circular resolution shall provide such information required to make a fully-informed good faith decision with respect to such resolution. Any resolutions passed as circular resolutions shall require (i) in case of an ordinary resolution (*as defined under the Act*) that the votes cast by the Shareholders in favour of the resolution exceed the votes cast against the resolution; and (ii) in case of a special resolution (*as defined under the Act*), the votes cast by the Shareholders in favour of such resolution should be equal to or more than three times the number of votes cast by the Shareholders against such resolution. Provided that, in case of an Investor

Protection Matter, the process for obtaining the written consent of Investor set out in Clause 4.12, shall be followed prior to the passing any Shareholders' resolution by circulation.

#### 4.14 Exercise of Rights.

4.14.1 The Promoters and the Company shall undertake such actions as may be necessary (including exercising their votes at Shareholders' meetings, Board meetings or any Committees thereof) to give effect to the provisions of, and to comply with their obligations under the Transaction Documents.

4.14.2 The Promoters and the Investor jointly undertake to ensure that the Investor Directors and the representatives or proxies representing them at Shareholders' meetings shall at all times exercise their votes in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of Part B of Part II of these Articles and the Agreement.

4.14.3 If a resolution contrary to the terms of the Agreement is proposed at any Shareholders' meeting or at any meeting of the Board or any Committee thereof, the Promoters, the Investor and their representatives (including proxies) and the Investor Directors (including the Investor Alternate Directors), shall vote against the same.

4.14.4 If for any reason such a resolution is passed, the Parties shall, if necessary jointly convene or cause to be convened a meeting of the Board or any Committee thereof or a Shareholders meeting for the purpose of implementing the terms and conditions of the Agreement and to give effect thereto, and to supersede such resolution.

4.14.5 Each Shareholder shall exercise its rights as a Shareholder in the Company in such manner as could reasonably be expected to prevent, and shall not exercise those rights in any manner which could reasonably be expected to result in a breach by the Company of any of its obligations under the Articles and the Agreement or any restrictions imposed upon it under its Articles (whether or not enforceable against the Company itself).

**4.15 Directors and Officers Liability Insurance.** The Company shall obtain and maintain a valid and current floating Directors and Officers Liability Insurance for all of the members of the Board for such amounts as determined by the Investor.

#### 4.16 Restricted Payments

Notwithstanding anything to the contrary contained in the Transaction Documents and/or these Articles:

(a) The Promoters and the Company agree and undertake that they shall not make any payments or remittances or issue cheques or other negotiable instruments, or agree or commit to make any payments or remittances or issue cheques or other negotiable instruments, or agree or commit to an obligation which obliges the Company to make any payments or remittances or issue cheques or other negotiable instruments, if such payments or remittances are payable to any person (or such person's Related Parties) in excess of INR 15,00,000 (Rupees fifteen lakhs), whether in 1 (one) transaction/ remittance or in multiple transactions/ remittances undertaken during any financial year ("**Restricted Payment**").

(b) In the event the Company intends to undertake any Restricted Payment, it shall inform the Investor at the beginning of each week (i.e. by every Monday before 10 am) in advance of such Restricted Payment by giving a notice ("**Restricted Payment Notice**") in writing to the Investor and seeking its written consent for the same. The Restricted Payment Notice shall contain all the necessary details and supporting documents in relation to the Restricted Payment.

(c) The Company and the Promoters agree to provide such additional information or documents to the Investor as may be required by the Investor in relation to the Restricted Payment contained in the Restricted Payment Notice.

(d) The Investor shall endeavour to provide its consent or refusal, in writing, in relation to the Restricted Payment stated in the Restricted Payment Notice within 2 (two) Business Days from the later of: (i) date of receipt of the Restricted Payment Notice or (ii) date on which the Company and Promoters have provided information or documents requested by the Investor in relation to such Restricted Payment as stated in Article 4.16(c) of Part B of Part II of these Articles above, as applicable.

(e) Failure by the Investor to respond on the Restricted Payment within the time period set out under Article 4.16(d) of Part B of Part II of these Articles shall mean that the Investor have rejected such Restricted Payment, and the Company and the Promoters shall ensure that such Reserved Payment is not undertaken or agreed to be undertaken by the Company.

(f) Upon receipt of the approval of the Investor as stated above, the release of the Restricted Payment shall be undertaken by the authorised bank account signatories of the Company.

(g) The Company and Promoters shall ensure that (a) all necessary banking procedures and instructions related to operation of all the bank accounts of the Company shall have been agreed to by the Investor in writing; (b) no changes are made to these instructions and procedures without the prior written consent of Investors, and (c) all Restricted Payments shall be made by cheques, unless otherwise agreed to by the Investors in writing.

## 5. PRE-EMPTIVE RIGHT

5.1 **General.** Subject to Clause 4.12 (*Investor Protection*), the terms of issuance of Subscription Shares as set out in **Schedule II**, Subscription Securities as set out in **Schedule III**, CCDs as set out in **Schedule IV**, Class B1 CCPS as set out in **Schedule V**, Class C CCPS as set out in **Schedule VI** and applicable Law, if the Company proposes to issue any Dilution Instruments, the Company shall first offer such Dilution Instruments to the Investor in the manner and to the extent set out in Clause 5.2, irrespective of the mode or form of issuance. The Investor will have a right to purchase its Pro Rata Share of the Dilution Instruments in order to maintain its proportionate shareholding in the Company (“**Right to Maintain Capital**”). The Investor may waive its Right to Maintain Capital under this Clause 5, in its sole discretion, by issuing a notice in writing to the Company.

5.2 **Procedure.** Unless otherwise agreed to by the Investor in writing, the offer of new Dilution Instruments shall be made in the manner set forth in this Clause:

5.2.1 The Company shall deliver a written notice (“**Offer Notice**”) to the Investor stating (a) its intention to offer such Dilution Instruments; (b) the nature and number of such Dilution Instruments to be offered; (c) the price and terms, if any, upon which it proposes to offer such Dilution Instruments; and (d) the number of Dilution Instruments each Shareholder is entitled to subscribe to in such issue pursuant to Clause 5.1; provided that, the price and terms on which the Dilution Instruments offered to any Person shall be such that it would not result in a breach of the foreign exchange laws of India, if a non-resident investor were to acquire such Dilution Instruments.

5.2.2 By notification to the Company, within 14 (fourteen) days after receipt of the Offer Notice, the Investor may elect to subscribe to all or a part of its Pro Rata Share at the same price and on the same terms as specified in the Offer Notice.

5.2.3 If the Investor declines, fails or omits to exercise its Right to Maintain Capital or any portion thereof, then such Dilution Instruments not taken up by the Investor may be offered to any Person (“**Specified Subscriber**”) identified by the Board within a period of 90 (ninety) days from the date of the Offer Notice. Provided however that, any issue of such Dilution Instruments shall be at a price not less than that, and upon terms no more favourable than those, specified in the Offer Notice. If the Investor exercises its Right to Maintain Capital, then, it shall remit the subscription amount towards the subscription of Dilution Instruments elected to be subscribed by it under Clause 5.2.2, simultaneously with the Specified Subscriber (if any) to whom the Dilution Instruments are being offered under this Clause 5.2.3 or within such timelines as mutually agreed between the Company and the Investor. If the Company does not enter into an agreement with the Specified Subscriber for the subscription of the Dilution Instruments within a period of 90 (ninety) days from the date of the Offer Notice, which have been offered to and refused by the Investor, or if such agreement is not consummated within 30 (Thirty) days of the execution thereof, the right provided under Clause 5 shall be deemed to have revived and such Dilution Instruments shall not be offered without again complying with the provisions of this Clause 5.

5.3 **Assignment.** Investor shall be entitled to assign in whole or in part its right to subscribe to the Dilution Instruments (or such other alternate instrument that the Investor is entitled to subscribe) to its Affiliates (“**Assignee**”), provided that, prior to or at the time of issuance of such Dilution Instruments, the Assignee executes a Deed of Adherence (*defined below*). It is hereby clarified that the Assignee will be bound by the provisions of the Agreement. Further, the holding of the relevant Assignee subscribing to the Dilution Instruments shall be cumulated with the holding of the Investor for the purposes of applying the provisions of the Agreement.

**5.4 Alternate Instruments.** The right of the Investor to subscribe to Dilution Instruments shall extend to any alternative instrument approved by the Board as may be issued in the event of any regulatory restriction barring the Investor from subscribing to the Dilution Instruments so offered. The terms of such alternate instrument, the manner and timing of the issuance of such alternate instrument shall be determined by the Investor.

**5.5 Exempted Issuance.** The Company shall not be required to comply with the requirements of this Clause 5 in respect of Dilution Instruments offered pursuant to (a) a Public Offer; or (b) an ESOP Plan approved by the Investor; or (c) the issuance of Equity Shares pursuant to the conversion of Subscription Shares; or (d) securities issued in connection with any stock split of or stock dividend of the Company in respect of which appropriate adjustment is made to the number of Shares held by the Shareholders; or (e) issuance of Additional Subscription Shares to the Investor with respect to the Additional Investment.

**5.6 Necessary acts.** The Parties undertake to ensure that all actions necessary to give effect to this Clause 5 will be taken as and when required.

## **6. RESTRICTIONS ON TRANSFER OF SHARES**

**6.1 Promoters Lock-in and Transfer Restrictions.** Till the time the Investor holds any Securities in the Company, the Promoters agree and undertake not to Transfer (including Encumber) the Shares held by them (either directly or indirectly) from time to time and confirm the same to be subject to a lock-in, or do any other act that has the effect of Transferring the underlying beneficial or legal rights and obligations, without obtaining the prior written consent of the Investor, which consent may, at the Investor's sole discretion, be withheld or if granted, be granted subject to the Investor's rights under Clause 7. Further, the Company undertakes not to register any Transfer in respect of the Shares owned by the Promoters in violation of the aforesaid undertaking. Any Transfer of the Shares held by the Promoters, directly or indirectly, in the Company, with prior written consent of the Investor, shall be subject to the conditions laid down in Clause 7 below. Any Transfer or attempted Transfer of Shares not specifically permitted by the Agreement shall be void *ab initio*, and the Parties shall do every act, deed or thing to prevent such Transfer from being given effect to. Neither the Board nor the Shareholders shall approve or ratify any Transfer of Shares by the Promoters in contravention of the prohibition contained in this Clause 6.1 or elsewhere in the Agreement and subject to applicable Laws, Company shall (i) not record any such Transfer on the statutory registers of the Company, and (ii) reject and reverse such Transfer made or attempted, *suo moto*, without necessity of a Board decision. It is clarified that after the successful IPO of the Company as contemplated in the Agreement, this Clause 6 will have no effect and the Shares held by the Promoters will be locked-in only to the extent required under applicable Law.

**6.2 Dematerialisation.** Within 90 (ninety) days from the Effective Date, the Company shall complete the process of dematerialisation of its Share capital by making necessary application to any of the recognised depositories (i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)) under the Depositories Act, 1996 and create international security identification number (**ISIN**) for the Company's Shares. The Company shall enter into relevant agreements with depositories, R&T agent etc. in this regard. Within 60 (sixty) days from the Effective Date, the Shareholders shall file the necessary prescribed forms for dematerialization request, documents etc. with their respective depository participants for the dematerialization of their respective shareholding in the Company. Promoters' Shares Transfer restrictions as contemplated in the Agreement shall equally apply to the Promoters' Shares held in dematerialized mode. Further, any rematerialisation of its shareholding by the Promoters shall be subject to the prior written consent of the Investor.

**6.3 Restriction on Transfers to Competitors.** The Promoters shall not be entitled to Transfer the Shares held by them to a Competitor at any given point of time.

**6.4 Transfer by the Investor.** Any Shares and/or Securities Transfer by Investor shall not be subject to any restriction and such Shares and/or Securities shall be freely Transferrable by the Investor. The Company and the Promoters shall do all necessary cooperation, acts and deeds as may be necessary to give effect to such Transfer including providing customary representations and warranties, and facilitating due-diligence as may be required. The Promoters and the Company shall facilitate and co-operate with any such Transfer including any due diligence that may be conducted by a proposed purchaser and provide all necessary information relating to the Company to such proposed purchaser.

**6.5 Deed of Adherence.** No Transfer by any Shareholder of the Company under the Agreement (including to an Affiliate) shall be complete and effective unless the transferee / purchaser of the Shares from such Shareholder



executes a deed of adherence agreeing to be bound by the terms of the Agreement (“**Deed of Adherence**”). The principles of Deed of Adherence are provided under **Schedule II** to the SSSHA, and the Deed of Adherence to be executed by the concerned Parties from time to time shall comply with the same. It is clarified that only the Transferor, Transferee and the Company shall execute such a Deed of Adherence, with a carbon copy to be marked and delivered to the rest of the Parties to the Agreement, and upon such delivery, the same shall be deemed to be binding upon such Parties.

6.6 **Anticipated Investor:** The Parties hereby agree and acknowledge that the Company is in discussions with certain Person(s) (“**Anticipated Investors**”), wherein such Anticipated Investors are contemplating to make an investment into the Company and in lieu of the said investment, the Company has agreed to issue and allot certain number of Class A Preference Shares (“**Anticipated Investor Securities**”) to the aforesaid Anticipated Investors, subject to approval of the Investor in writing.

The Parties hereby agree and acknowledge that the Anticipated Investors (not being an existing Shareholder) if become Shareholder in the Company by virtue of subscribing to the Anticipated Investor Securities in the manner as provided herein, then, the Anticipated Investors shall become a Party to the Agreement by way of executing a deed of accession in the manner as prescribed under the Agreement and the rights that are only specified under the deed of accession shall be extended to the Anticipated Investors, and the Company and Promoters shall ensure and take all necessary steps for execution of such deed of accession by the Anticipated Investors, unless otherwise agreed by the Investor in writing.

Further, upon execution of the deed of accession by the Anticipated Investors, in the manner as acceptable by Investor, the provisions of such deed of accession shall be considered as part of the SSSHA and the rights, if any, of the Shareholders in the SSSHA as specifically mentioned in the deed of accession only shall stand amended to that effect and no further consent would be required from any of the Shareholders pursuant to such amendments, unless otherwise agreed by the Investor in writing.

## 7. RIGHT OF FIRST REFUSAL AND TAG ALONG RIGHT

7.1 **Right of First Refusal.** Subject to Clause 6.1, if a Shareholder (other than the Investor) (a “**Selling Shareholder**”) decides to Transfer any Shares held by such Selling Shareholder (“**ROFR Sale Shares**”) to a Proposed Transferee (*defined below at Clause 7.2*), then such Selling Shareholder hereby agrees unconditionally and irrevocably and grants to the Investor a prior right to purchase all or a portion of the ROFR Sale Shares at the same price and on the same terms and conditions as those offered to the Proposed Transferee (“**Right of First Refusal**”). It is hereby clarified that the rights granted to the Investor in terms of this Clause 7.1 are in addition to the Tag Along Right available to the Investor under Clause 7.3 and nothing contained herein shall affect the right of the Investor to exercise the Tag Along Rights in accordance with the terms of the Agreement.

### 7.2 Procedure.

7.2.1 Upon a Selling Shareholder receiving a proposal from any Person (the “**Proposed Transferee**”) for purchase of ROFR Sale Shares or pursuant to the approval of the Investor in writing under Article 6.1 of Part B of Part II of these Articles, if the Selling Shareholder seeks any proposal from any Proposed Transferee for purchase of ROFR Sale Shares (“**Proposal**”), the Selling Shareholder shall immediately notify the Investor of the Proposal (“**Transfer Notice**”). The Transfer Notice shall set forth the name and other material particulars of the Proposed Transferee, the number of ROFR Sale Shares, the price per ROFR Sale Share (“**ROFR Price**”) and other terms of the Transfer and an undertaking from the Selling Shareholder stating that the offer is *bona fide*. The Proposal and any other document executed by the Selling Shareholder and/or the Proposed Transferee (whether binding or non-binding by whatever name called) in relation to the Proposal shall also be annexed to the Transfer Notice. The Selling Shareholder shall ensure that such executed document explicitly states that such transaction is subject to the Transfer restrictions contained herein, including, but not limited to, Right of First Refusal and the Tag Along Right of the Investor.

7.2.2 The Investor may exercise its Right of First Refusal with respect to all or any of the ROFR Sale Shares by issuing a written Notice (“**ROFR Acceptance Notice**”) to the Selling Shareholder within 30 (thirty) Business Days of receipt of the Transfer Notice. The Investor while exercising its Right of First Refusal shall

specify the number of ROFR Sale Shares it intends to purchase in the ROFR Acceptance Notice. If the Investor exercises its Right of First Refusal, the Selling Shareholder shall be bound to sell such number of ROFR Sale Shares for cash consideration to the Investor. Such Transfer of ROFR Sale Shares should be complete within a period of 30 (thirty) Business Days from the date of receipt of the ROFR Acceptance Notice by the Selling Shareholder, excluding the time required to obtain any approval required from any Governmental Authority, if any, to effect such a Transfer. The Company, the Promoters and the Selling Shareholder shall provide customary representations and warranties, and facilitate due-diligence as may be required by the Investor. It is clarified that the Selling Shareholder can sell to a Proposed Transferee only such number of ROFR Sale Shares, which are not being acquired by the Investor.

7.2.3 Transfer of the ROFR Sale Shares by the Selling Shareholder to the Proposed Transferee shall be subject to (a) compliance with the provisions of Article 7.3 below; (b) shall not be at a price lower than the price per ROFR Sale Share, or on terms and conditions more favourable than those specified in the Transfer Notice, unless the procedure set forth in this Article 7.2 is complied with afresh.

### **7.3 Tag Along Right.**

7.3.1 Notwithstanding anything contained to the contrary, in any direct or indirect Transfer of Securities of the Company held by the Selling Shareholder to any Proposed Transferee, the Investor will have the Tag Along Right as set out in the succeeding provisions of this Clause 7.3.

7.3.2 Without prejudice to Clause 7.1 and 7.2 above, the Selling Shareholder shall ensure that the Transfer Notice also contains an offer from the Proposed Transferee to purchase up to such number of Shares held by the Investor that is proportionate to the total number of Shares being purchased by the Proposed Transferee in accordance with the Investor's shareholding in the Company on a Fully Diluted Basis as detailed below in Clause 7.3.4 (the "**Tag Along Right**"). Further, in the event, the Transfer of Shares to the Proposed Transferee, by the Selling Shareholder, is expected to result in the Proposed Transferee (and its Affiliates) acquiring Control of the Company, then the Investor will be entitled to sell all the Shares held by it to the Proposed Transferee on the same terms and conditions specified in the Transfer Notice ("**Change in Control Tag Right**"). It is hereby clarified that the Change in Control Tag Right shall not apply where the Drag Along Sale under Clause 9 is applicable. If the Transfer Notice consists of more than one series, class or type of Shares, the Investor may transfer such series, class or type at its sole and absolute discretion; provided however that, if the Investor does not hold any of such series, class or type, the Proposed Transferee shall acquire whatever series, class or type of security held by the Investor at the discretion of the Investor.

7.3.3 The Investor may exercise its Tag Along Right, by serving a written Notice to the Selling Shareholder, within 30 (thirty) Business Days of the receipt of Transfer Notice, specifying the maximum number of Shares it proposes to Transfer ("**Tag Along Shares**"). Upon giving such Notice, the Investor shall be deemed to have effectively exercised its Tag Along Right.

7.3.4 If the Investor exercises its Tag Along Right, the Transfer of the ROFR Sale Shares by the Selling Shareholder to the Proposed Transferee shall be conditional upon such Proposed Transferee acquiring the Tag Along Shares simultaneously with the acquisition of the ROFR Sale Shares (being Transferred by the Selling Shareholder) in accordance with this Clause 7.3, on the same terms and conditions set forth in the Transfer Notice, provided that, the Investor shall not be required to give any representations and warranties for such Transfer, except those relating to title to Shares.

7.3.5 To the extent that Investor exercises its Tag Along Right in accordance with the terms and conditions set forth in this Clause 7.3, the number of ROFR Sale Shares that the Selling Shareholder may sell in the proposed Transfer shall be correspondingly reduced. The Tag Along Shares shall be Transferred to the Proposed Transferee simultaneously with the Transfer of the ROFR Sale Shares that are being Transferred by the Selling Shareholder.

**7.4 Fresh Compliance.** Subject to compliance with Clause 7.1, Clause 7.2 and Clause 7.3 above, if any proposed Transfer is not consummated by the Selling Shareholder, within a period of 90 (ninety) days from the date of delivery of the Transfer Notice to the Investor, the Selling Shareholder may sell any of the ROFR Sale Shares only after complying afresh with the requirements laid down under Clause 7.1, Clause 7.2 and Clause 7.3.

**7.5 Failure to purchase.** If for any reason, the Proposed Transferee is unable to or refuses to acquire the

Securities held by the Investor in respect of which the Investor has exercised its Tag Along Rights (or any part thereof), then, at the sole option of the Investor, the Selling Shareholder shall not be entitled to Transfer any of the Securities held by them in the Company to such Proposed Transferee.

**7.6 Failure to Comply.** Any Transfer made in violation of the requirements prescribed under the Agreement shall be null and *void ab initio*.

**7.7 No avoidance of restrictions.** The Transfer restrictions in the Agreement and in the Articles shall not be capable of being avoided by the holding of Shares indirectly through an entity that can itself be sold in order to indirectly dispose of an interest in the Shares free of such restrictions. Further, without prejudice to the provisions of Clause 6.4, nothing contained in this Clause 7 shall be deemed to impose any restrictions on the Investor's ability to freely Transfer its Shares in the Company.

**7.8 Investor Liquidity Priority.** The Selling Shareholder acknowledges and agrees that the covenants set forth in Clause 6 and Clause 7 are intended to ensure that the Investor is able to achieve liquidity with respect to its investment in the Company in priority to the other Shareholders. Accordingly, the Shareholders shall not avoid, or attempt to avoid, the provisions of Clause 6 and Clause 7.

## 8. ANTI-DILUTION PROTECTION

8.1 If at any time after the Execution Date, the Company issues, or proposes to issue, any Dilution Instruments to any Third Party ("**New Issue**"), at a price per Security such that the valuation of the Company is lower than the valuation at which the Investor had subscribed to the Subscription Shares or the price per each Dilution Instrument is lower than the price at which the Investor has subscribed to the Subscription Shares ("**New Issue Price**"), then the Investor shall be entitled to a full ratchet anti-dilution protection such that additional Shares / Securities (at the election of the Investor) will be issued to the Investor by changing the conversion ratio of the Subscription Shares so as to equate the cost basis of Investor's Shareholding in the Company at no additional cost per Security (and if not permissible under applicable Law, then, at the lowest price permissible under the applicable Law) issued in any subsequent round of funding. The cost basis of Investor's Shareholding in the Company shall be equated in such manner as if the Investor had originally subscribed the Subscription Shares at the New Issue Price. It is clarified that the anti-dilution protection shall not be available to the Investor in case of corporate actions by the Company such as stock split and consolidation.

8.1A If at any time after the CCD Closing Date (as defined in the Securities Subscription cum Amendment to the SSSHA), the Company issues, or proposes to issue, any Dilution Instruments to any Third Party ("**New Issue-2**"), at a price per Security such that the valuation of the Company is lower than the valuation at which the Investor had subscribed to the CCDs or the price per each Dilution Instrument is lower than the price at which the Investor has subscribed to the CCDs ("**New Issue Price-2**"), then the Investor shall be entitled to a full ratchet anti-dilution protection such that additional Shares / Securities (at the election of the Investor) will be issued to the Investor by changing the conversion ratio of the CCDs so as to equate the cost basis of Investor's Shareholding in the Company at no additional cost per Security (and if not permissible under applicable Law, then, at the lowest price permissible under the applicable Law) issued in any subsequent round of funding. The cost basis of Investor's Shareholding in the Company shall be equated in such manner as if the Investor had originally subscribed the CCDs at the New Issue Price-2. It is clarified that the anti-dilution protection shall not be available to the Investor in case of corporate actions by the Company such as stock split and consolidation.

8.1B If at any time after the Class B1 Closing Date (as defined in the Securities Subscription cum Amendment to the SSSHA), the Company issues, or proposes to issue, any Dilution Instruments to any Third Party ("**New Issue-3**"), at a price per Security such that the valuation of the Company is lower than the valuation at which the Investor had subscribed to the Class B1 CCPS or the price per each Dilution Instrument is lower than the price at which the Investor has subscribed to the Class B1 CCPS ("**New Issue Price-3**"), then the Investor shall be entitled to a full ratchet anti-dilution protection such that additional Shares / Securities (at the election of the Investor) will be issued to the Investor by changing the conversion ratio of the Class B1 CCPS so as to equate the cost basis of Investor's Shareholding in the Company at no additional cost per Security (and if not permissible under applicable Law, then, at the lowest price permissible under the applicable Law) issued in any subsequent round of funding. The cost basis of Investor's Shareholding in the Company shall be equated in such manner as if the Investor had originally subscribed the Class B1 CCPS at the New Issue Price-3. It is clarified that the anti-dilution protection shall not be available to the Investor in case of corporate actions by

the Company such as stock split and consolidation.

8.2 Parties agree that if the adjustments as contemplated in this Clause 8 cannot be undertaken due to applicable Law, then, the Parties shall mutually discuss and agree on the alternative to achieve the adjustment as provided herein, without limitation through issuance of Securities to the Investor or its nominees as the case may be.

## 9. EXIT

Within a period of 60 (sixty) months from the Effective Date (“**Exit Date**”), the Company and the Promoters shall utilize best endeavours to provide the Investor an exit through the undertaking of a Public Offer (Clause 9.1) or by way of a Strategic Sale (Clause 9.2) below. If the Company and Promoters are not able to successfully complete a Public Offer of the Company or Strategic Sale by the expiry of the Exit Date to achieve a full exit of the Investor or the Investor has not consented to for the Public Offer, then, the Company and the Promoters shall be obligated to provide exit to the Investor by way of right of the Investor to exercise any of the exit options mentioned in Clause 9.2 (Strategic Sale), Clause 9.3 (Buy Back), and/or Clause 9.4 (Drag Along Right) as provided in the manner in this Clause 9. It is hereby clarified and agreed that, to achieve a successful exit of the Investor, the Investor shall have the right to exercise any or all or a combination of a few or all of the exit rights as provided in this Clause 9 at its sole discretion, and the Company and the Promoters shall co-operate with the Investor and do all such acts, deeds, matters or things (including all filings to the Governmental Authority) as may be required for exercising the rights under this Clause 9.

### 9.1 Public Offer.

9.1.1 The Promoters and the Company shall make best efforts to undertake a Qualified IPO by or before the Exit Date; provided that, if the Company is desirous of undertaking an IPO which is not a Qualified IPO the same will be subject to the consent of Investor. Such IPO and a Qualified IPO are hereinafter referred to as the “**Specified IPO**”.

9.1.2 The Company and Promoters shall do all acts and deeds required to effectuate Specified IPO and shall obtain all relevant approvals, statutory or otherwise, that are necessary for the Specified IPO of the Company.

9.1.3 The Specified IPO may be either through a new issue of Shares and/or an offer for sale of Shares held by the Shareholders. Subject to applicable Law, the Company and the Promoters will make best efforts to ensure that the Investor is entitled to include up to 100% (one hundred percent) of its Shareholding in the Company in the Specified IPO, including conversion of the Subscription Shares held by them into Equity Shares. The Promoters (i.e. other than Investor) shall offer all the Shares proposed to be locked-in as per the listing or other regulations prescribed by the Securities and Exchange Board of India or such other Governmental Authority. To the extent permissible under applicable Law, there shall be no lock-in in relation to the Investor’ Shares. Further, the Promoters shall offer as many Shares held by them as may be required in accordance with applicable Law to effectuate the Specified IPO (including by way of conversion of Preference Shares held by them, if any, into Equity Shares).

9.1.4 Listing Terms. Any Specified IPO shall include or be subject to the following terms:

(a) The cost of the Specified IPO including in relation to any offer for sale will be borne by the Company. If applicable Law does not permit the Company to bear the cost in relation to any offer for sale of the Investor’ Shares, the Promoters and the Investor shall bear such expense as are required by applicable Law to be borne by them in relation to such sale.

(b) The Investor will have the right, but not the obligation, to offer, in an offer for sale, all or any of the Investor’ Shares in priority to the other Shareholders.

(c) Subject to applicable Law, the Promoters shall not offer any Shares held by them for sale except as may be required by applicable Law (a) as a condition for obtaining listing on any Stock Exchange; or (b) to ensure that minimum public holding requirements are satisfied.

(d) The Specified IPO will be underwritten at least to the extent required under applicable Law.

(e) The shareholding of the Investor shall not be subject to any lock-in unless specified under applicable Law.

(f) All advisors / consultants to the Specified IPO, including the book running lead managers, underwriters, bankers, counsel and transfer agents shall be appointed with the Investor's consent.

9.1.5 The Investor shall determine the following matters in connection with the Specified IPO:

(a) whether the public offering shall be by a fresh issue of Shares by the Company and/or an offer for sale by the Shareholders;

(b) the price at which the Shares shall be issued / offered to the public;

(c) appointment of lead managers, registrars, financial advisors, counsel, issue managers and other intermediaries; and

(d) the Stock Exchange(s) on which the Shares are to be listed.

9.1.6 If the Investor' Shares are converted into Equity Shares pursuant to a proposed Specified IPO and the Company fails to complete such Specified IPO or if the Shares of the Company are not listed on the Stock Exchange due to any reason whatsoever within 6 (six) months from such conversion, the Parties agree that all the rights available to the Investor owing to its shareholding in the Company, under the Agreement shall continue to be available to the Investor. The Parties undertake to support any decisions and actions required by the Investor to give effect to the provisions herein contained including by exercise of their voting and other rights. The decisions and actions that the Investor may require may, without limitation, include:

(a) modification and/or reclassification of the Investor' Shares into Shares of a different type and/or class such that the Investor' Shares shall, subject to applicable Laws, have all the rights that were attached to the Investor' Shares immediately prior to the conversion referred to above;

(b) entry into any contractual arrangements for the purposes of ensuring that the rights attached to the Investor' Shares post such conversion are the same as those attached to the Investor' Shares immediately prior to the conversion;

(c) alteration of the Articles to include all of the rights attached to the Investor' Shares that were so attached immediately prior to the conversion referred to above; and

(d) all such other measures as shall be necessary to restore the rights enjoyed by the Investor prior to conversion of the Investor' Shares into Equity Shares.

9.2 Strategic Sale.

9.2.1 The Company and Promoters shall provide an exit to the Investor by way of a Strategic Sale at any time on or prior to the Exit Date or after the Exit Date, as may be provided in this Clause 9, subject to the succeeding provisions of this Clause 9.2 at a price ("**Strategic Sale Price**") which should result in the Investor getting, the higher of (i) an amount equivalent to the monies remitted / paid by the Investor to subscribe and/or acquire the Investor' Shares *plus* all accrued but unpaid dividends thereon *plus* agreed minimum return of 25% IRR (*factoring any dividend or distributions on the Investor' Shares received by the Investor till the date of determination*) thereon; or (ii) Fair Value of the Investor' Shares on Fully Diluted Basis, subject to the applicable Law.

9.2.2 The Promoters and the Company shall, simultaneously with the efforts to undertake a Specified IPO, also undertake efforts to undertake a Strategic Sale to provide an exit to the Investor. At least 2 (two) months prior to the Exit Date, the Promoters and the Company shall deliver a notice to the Investor (the "**Strategic Sale Notice**") setting out (a) the exact nature of the transaction proposed, including valuation and the Strategic Sale Price; (b) identity of the proposed purchaser; (c) time required to close; and, (d) such other material terms of the Strategic Sale as the Investor might request. The Investor may, without any obligation to do so, indicate acceptance (in part or full) of the Strategic Sale Notice in writing with such additional conditions as it may deem fit. Based on the Strategic Sale Notice, the Investor shall reply with its acceptance to the proposed Strategic Sale offer. If the Investor elects to sell the Shares it holds in the Company by way of a Strategic Sale, the Investor shall not be required to provide any representations and warranties for such Transfer by

way of Strategic Sale, except those relating to title to the Shares. The Company and Promoters shall provide customary representations and warranties and facilitate the due-diligence as may be required by the proposed purchaser.

9.2.3 The Strategic Sale shall be subject to the approval of the Investor and the Investor shall determine matters relating to appointment of bankers, financial advisors, counsel and other intermediaries in connection with the Strategic Sale including the alignment on valuation for such Strategic Sale.

9.2.4 The costs and expenses of the Strategic Sale (including stamp duties) shall be borne by the proposed purchaser or the Company.

9.2.5 The Company and Promoters shall ensure that the Strategic Sale is fully consummated within 30 (thirty) Business Days of the acceptance of the Strategic Sale Notice by the Investor, save for time required to obtain any approvals from any Governmental Authority to effect the Strategic Sale.

9.2.6 It is hereby clarified that the obligation of the Company and Promoters to undertake a Strategic Sale on or prior to the Exit Date shall not mean that the obligation of the Company and the Promoters to undertake the Strategic Sale will fall away on expiry of the Exit Date. The Investor shall have the right to exercise the right hereunder and achieve an exit through Strategic Sale even after the expiry of the Exit Date, either severally or in combination with any of the other exit rights specified in this Clause 9.

### 9.3 Buy Back.

9.3.1 The Investor may, at any time after the Exit Date, deliver a notice ("**Information Notice**") to the Company, requiring the Company to determine the price ("**Buy Back Price**") which should result in the Investor getting, the higher of (i) an amount equivalent to the monies remitted / paid by the Investor to subscribe and/or acquire the Investor' Shares *plus* all accrued but unpaid dividends thereon *plus* agreed minimum return of 25% IRR (*factoring any dividend or distributions on the Investor' Shares received by the Investor till the date of determination*) thereon; or (ii) Fair Value of the Investor' Shares on Fully Diluted Basis, subject to the applicable Law. The Company shall undertake all actions required for the determination of the Buy Back Price, within a period of 30 (thirty) days from the date of the receipt of the Information Notice by it. The Company shall inform the Investor the Buy Back Price upon its determination, in writing, and the maximum number of Shares the Company can buy-back at the Buy Back Price in compliance with applicable Law ("**Maximum Buy Back Shares**").

9.3.2 If the Investor elects to exit the Company pursuant to a buy back under this Clause 9.3, the Investor shall deliver a notice to the Company confirming such election ("**Buy Back Notice**") with the details of the Shares ("**Buy Back Shares**") which need to be bought back by the Company. Pursuant to the receipt of the Buy Back Notice, the Company shall convert the Buy Back Shares into Equity Shares to the extent the same are Preference Shares.

9.3.3 Upon the receipt of the Buy Back Notice, the Company shall take, and the Promoters shall cause the Company to take, all steps necessary to ensure that the Investor is able to effectively exercise the rights contained herein. Such steps may include (i) obtaining statutory approvals in relation to the buy back, if required; (ii) passing appropriate resolutions at the Board and Shareholders' meeting; and (iii) taking such other measures as the Investor may reasonably request.

9.3.4 The buy-back hereunder shall be either through one or more successive Buy Back offers on terms acceptable to the Investor subject to the provisions of this Clause 9.3. The Company will be bound to complete such buy back within 60 (sixty) days from the date of receipt of the Buy Back Notice.

9.3.5 The Shareholders (other than the Investor) shall not offer any Shares held by them in any buy-back offer by the Company until such time as all the Buy Back Shares are bought back by the Company.

9.3.6 All costs in relation to the Buy Back, including the fees of the independent investment banker to be appointed for determining the Buy Back Price, shall be borne by the Company.

### 9.4 Drag Along Right.

9.4.1 Upon expiry of 6 (six) months from the Exit Date, the Investor may require the Company to appoint a

reputed investment banker to facilitate the sale of Investor' Shares to a Third Party buyer including a Competitor ("**New Buyer**"). If the New Buyer requires the additional Shares in order to consummate the purchase of Investor' Shares, then, the Investor shall have the right ("**Drag Along Right**") to compel the Promoters and any other Shareholders (the "**Dragged Shareholders**") to sell, and the Promoters and other Shareholders shall be under an obligation to sell, all or part of their Shares as may be required by the New Buyer ("**Drag Along Shares**"), at the same price (and terms no less favourable than those) being received by the Investor ("**Drag Sale**").

**9.4.2 Procedure.** If the Investor chooses to exercise its Drag Along Right set out herein, the Investor shall deliver a written notice to the Promoters ("**Drag Sale Notice**") stating the intention of the Investor to sell all the Shares held by it to the New Buyer together with the terms and conditions on which the New Buyer is willing to purchase the Drag Along Shares. The Company shall, and the Promoters shall cause the Company to, convene within a period of 30 (thirty) days from receipt of the Drag Sale Notice, a meeting of the Board and the Shareholders and at such meeting, the Promoters shall, consent to the sale of Drag Along Shares in a manner and on the terms and conditions determined by the Investor. All costs and expenses incurred in relation to the Drag Sale shall be borne entirely by the Company. The Company and the Promoters shall co-operate and take all necessary and desirable actions in connection with the consummation of the Drag Sale including, without limitation, timely execution and delivery of any agreements and instruments to complete the Drag Sale, providing access and information as may be requested by the New Buyer and co-operating in any due diligence conducted by the New Buyer. The Company and the Promoters shall provide all such customary representations and warranties, indemnities and covenants as may be required by the New Buyer in connection with the completion of the Drag Sale. The Investor shall not be required to provide any representations, warranties, guarantees or indemnities, or be subject to any restrictive covenants pursuant to or in relation to the Drag Sale. The Promoters and the Company agree and undertake that they will honour the commercial understanding of the provisions of this Clause in any manner legally permissible.

**9.5 No prejudice.** Notwithstanding anything to the contrary contained in this Clause 9, it is expressly clarified that the Investor may elect to avail any of its rights under this Clause 9 (after the Exit Date) at its option and discretion, and exercise of one right by the Investor shall not prejudice the other rights.

**9.6 Promoters Incentive.** Upon the Investor being provided a complete exit in accordance with Clause 9.1, 9.2, 9.3 and/or 9.4 above, whereby the Investor does not hold any Security of the Company, if:

9.6.1 the Investor has received an IRR of more than 25% (twenty five percent) but up to a maximum of 30% (thirty percent) on an INR basis till the actual date of exit, on the aggregate amounts invested/paid by the Investor (or by any of its one or more Affiliates) to subscribe or acquire any Securities of the Company pursuant to the Transaction Documents (including by virtue of Additional Investment and upon exercise of its Anti-Dilution rights hereunder), then, the Investor shall be required to incentivize the Promoters (collectively) such that the shareholding of the Investor in the Company will be deemed to be 34% (thirty four percent) on a Fully Diluted Basis;

9.6.2 the Investor has received an IRR of more than 30% (thirty percent) on an INR basis till the actual date of exit, on the aggregate amounts invested/paid by the Investor (or by any of its one or more Affiliates) to subscribe or acquire any Securities of the Company pursuant to the Transaction Documents (including by virtue of Additional Investment and upon exercise of its Anti-Dilution rights hereunder), then, the Investor shall be required to incentivize the Promoters (collectively) such that the shareholding of the Investor in the Company will be deemed to be 33.5% (thirty three and a half percent) on a Fully Diluted Basis.

It is hereby clarified that if the Investor receives an IRR of less than 25% (twenty five percent) on an INR basis till the actual date of exit, on the aggregate amounts invested/paid by the Investor (or by any of its one or more Affiliates) pursuant to the Transaction Documents (including by virtue of Additional Investment and upon exercise of its Anti-Dilution rights hereunder) to subscribe or acquire any Securities of the Company pursuant to the Transaction Documents, after payment of all costs and Taxes, then, the Investor shall not be required to incentivize the Promoters whatsoever.

It is hereby further clarified and agreed that the Promoters Incentive as provided in this Clause 9.6 shall not be applicable with respect to any further investment that may be made by the Investor in the Company, and the same is applicable only with respect to the contemplated investment towards (i) the Sale Shares under the Share Purchase Agreement, (ii) the Subscription Shares under the Share Subscription Agreement, (iii) the Additional Subscription Shares under the Agreement, and (iv) the subscription to the CCDs and the Class B1

CCPS under the Securities Subscription cum Amendment to the SSSHA.

9.6.2 The provisions of Clauses 9.6.1 and 9.6.2 shall not apply in case the Equity Shares of the Company are listed on the Bombay Stock Exchange or the National Stock Exchange, on or prior to March 31, 2022.

## **10. TERMS OF ISSUANCE OF SUBSCRIPTION SHARES; SUBSCRIPTION SECURITIES; CCDs; CLASS B1 CCPS**

The Subscription Shares (except for Subscription Securities) and the Additional Subscription Shares shall have the terms and conditions as set out in **Schedule II**. Subscription Securities shall have the terms and conditions as set out in **Schedule III**. CCDs shall have the terms and conditions as set out in **Schedule IV**. Class B1 CCPS shall have the terms and conditions as set out in **Schedule V**. Class C CCPS shall have the terms and conditions as set out in **Schedule VI**.

## **11. LIQUIDATION PREFERENCE**

11.1 Upon occurrence of any Liquidation Event, the Investor shall have a preference over the other Shareholders of the Company for return of capital as set out hereinafter:

11.1.1 The proceeds of the Liquidation Event shall be distributed such that the Investor receives, the higher of (i) an amount equivalent to the monies remitted by Investor to subscribe the Investor' Shares *plus* all accrued but unpaid dividends thereon *plus* agreed minimum returns of 25% IRR (factoring any dividend or distributions on the Investor' Shares received by the Investor till date of such determination); or (ii) an amount equivalent to the Fair Value of the Investor' Shares on a Fully Diluted Basis (hereinafter referred to as "**Preference Amount**").

11.1.2 If the proceeds of the Liquidation Event legally available for distribution are insufficient to permit the payment of the Preference Amount, then, the entire proceeds legally available for distribution shall be distributed to the Investor.

11.2 With regard to the above, it is hereby clarified that Investor shall also be entitled to share *pari passu* with the Shareholders of the Company in any surplus Assets, if any, existing after the payment in respect of each Equity Share of the capital paid up on such Shares.

## **12. COVENANTS AND AGREEMENTS**

12.1 **Non-Pledging of Investor' Shares.** The Investor shall not be required to pledge its Shareholding in the Company or invest any additional amount in the Company or offer any guarantee or collateral security in respect of any borrowing by the Company.

12.2 **Investor not to be classified as promoter.** The shareholding of the Promoters shall be designated as "promoters" or "sponsors" or "Promoters" (or any synonymous term in other jurisdiction) in filings with any Governmental Authorities, offer documents or otherwise. The Investor is not a 'promoter' or part of the 'promoter group' of the Company. The Company or its Affiliates or Group Companies shall not under any circumstances declare, publish or disclose the Investor in any document related to a Public Offering, accounts, any public disclosures or otherwise as "promoter" or part of the "promoter group" of the Company. The Company and Promoters undertake to take all necessary steps to ensure that the Investor shall not be considered as a promoter or part of the promoter group of the Company in any Public Offer related or other regulatory filing made by the Company or the Promoters. In the event any Governmental Authority rules, holds or adjudicates that the Investor is 'promoter' or part of the "promoter group" of the Company, or requires the Company to mention the Investor as its 'promoter' or part of the "promoter group" in any filings or documents, the Company and the Promoters shall immediately inform the Investor of the same in writing and do all things, take all steps and make all appropriate representations in consultation with the Investor so that the Investor is not considered 'promoter' or part of the "promoter group", and the Investor shall take necessary steps so as to not be classified as a 'promoter'. This clause shall also apply to Investor being designated as "sponsors", "Promoters" or any other term in any jurisdiction which implies a level of responsibility or involvement in or Control over, the Company, its affairs or its business more than that of an ordinary shareholder.



### 12.3 Non-Compete and Non-Solicit.

12.3.1 As long as the Promoter 1 (i) is employed by the Company; or (ii) holds Shares in the Company; or (iii) is entitled to nominate a Director on the Board, and for a period of 36 (thirty six) months from the last of the events specified above, the Promoters shall not engage in, directly or indirectly, and whether as an individual, through a Relative or Affiliate or through a partnership or as a shareholder, joint venture partner, collaborator, consultant, advisor, principal contractor or sub-contractor, director, trustee, committee member, office bearer or agent or in any other manner whatsoever, whether for profit or otherwise, anywhere in India / the world, engage or participate in any business which competes with the whole or any part of any Business being carried on or proposed to be carried on by the Company.

12.3.2 The Promoters hereby agree, acknowledge and undertake that they shall retain the management and control of the operations of the Company and the Promoters shall devote substantially all of their time to the affairs of the Company, subject to such exceptions as may be approved by the Investor.

12.3.3 The Promoters agree and acknowledge that no separate non-compete fees is payable to the Promoters, and the consideration for the non-compete restriction contained herein is deemed to have been received under the Agreement and mutual covenants in the Transaction Documents. The Promoters also acknowledge the receipt and sufficiency of such consideration received towards the non-compete restriction contained herein.

12.3.4 The Company and the Promoters shall ensure that each of the Key Managerial Personnel, including Promoter 1, shall execute an employment agreement containing amongst others non-compete and non-solicitation terms in a form set out in **Schedule VI** to the SSSHA. The Key Managerial Personnel, including Promoter 1, shall under the employment agreement so executed undertake not to, either directly or indirectly, participate in businesses which compete with Business carried on by, and not solicit the employees, vendors, suppliers and customers of, the Company (if any) for at least 3 (three) years after the termination of employment in the Company.

12.3.5 **Non-Solicitation.** The Promoters acknowledge that the ability of the Company to conduct and operate its Business depends upon its ability to attract and retain skilled people, customers, suppliers and that the Company has and will continue to invest substantial resources in training such people. The Promoters hereby agree that the Promoters shall not for the duration described at Clause 12.3.1 above:

- a) directly or indirectly, partner with or enter into any activity or hire or attempt to hire for any purpose whatsoever (whether as an employee, consultant, advisor, independent contractor, partner or otherwise) any employee of the Company at any time during the last 12 (twelve) months, and shall use best efforts to prevent any of its Affiliates, related entities or Persons from taking any such action;
- b) disclose to any third party the names, backgrounds or qualifications of any employees or otherwise identify them as potential candidates for employment;
- c) personally, or through any other Person, approach, recruit or otherwise solicit employees of other Party to work for any other employer; and
- d) persuade any Person which is a client / customer or a vendor / supplier of the Company, to cease doing business or to reduce the amount of business which any such Person has customarily done or might propose doing with the Company, or to otherwise solicit or offer business from such client / customer or vendor / supplier (as the case may be).

12.3.6 The Promoters acknowledge that their position with the Company requires and will continue to require the performance of services that are special, unique, extraordinary and of an intellectual character and has placed and will continue to place them in a position of confidence and trust with the employees, customers and associates of the Company; and that the restrictions under this Clause are fair and reasonable as to subject matter, geographical scope and duration. The Parties acknowledge and agree that the above restrictions are considered reasonable for the legitimate protection of the business and for the goodwill of the Company.

12.3.7 The Promoters acknowledge and agree that the covenants contained in this Clause 12.3 are significant to the Investor, and that the Investor would not have proceeded with its investment into the Company (from time to time) but for the Promoters' covenants hereunder to ensure the protection of the value of the Company.

12.3.8 The Promoters acknowledge that any breach or threatened or attempted breach of any provision of this Clause 12.3 would cause irreparable harm to the Investor and that monetary damages would not be sufficient or adequate to protect the Investor's interests under this Clause 12.3, and therefore, irrevocably agree that Investor shall, in addition to all other applicable remedies, be entitled to, injunctive relief to prevent a breach or specific performance of this Clause 12.3 or other equitable remedy. The Promoter 1 represents that his experience and knowledge will enable him to earn an adequate living in a business other than a business competing with that of the Company and that injunctive relief will not prevent him from providing for himself and his family. The Promoter 1 acknowledges that he has various skill sets which can be deployed by him once he ceases to be an employee of the Company without breaching the restrictions contained in this Clause 12.3.

12.3.9 Each covenant contained in Clause 12.3 shall be, and is, a separate covenant and shall be enforceable separately and independently of any of the other covenants against the Promoters and its validity shall not be affected if any of the others is invalid; if any of the covenants are void but would be valid if some part of the covenant were deleted, the covenant in question shall apply with such modification as may be necessary to make it valid.

**12.4 Rights in Group Companies.** The Investor shall have all rights available under the Agreement including the Investor Protection Matters (Clause 4.12), right to appoint members to the Board (Clause 4.2), Committees of the Board (Clause 4.4), Information and Inspection Rights (Clause 3), Right to Maintain Capital (Clause 5.1), Representation and Warranties (Clause 13 of SSSHA, Clause 5 of the Share Subscription cum Amendment to the SSSHA and Clause 5 of the Securities Subscription cum Amendment to the SSSHA), and Indemnification (Clause 14 of SSSHA, Clause 6 of the Share Subscription cum Amendment to the SSSHA and Clause 6 of the Securities Subscription cum Amendment to the SSSHA) in respect of all the Group Companies from time to time, and subject to applicable Law all such rights which are required to be reflected in the articles of association to be legally binding and enforceable shall form part of the articles of association or other charter documents of such Group Companies till the termination of the Agreement in accordance with its terms. It is clarified that in such a context, the capitalized terms used under the Agreement shall be read and interpreted in the context of such Group Company and any references to 'Company' shall be deemed to be replaced with a reference to such Group Company in which the rights of the Investor are being exercised and such rights will be *mutatis mutandis* available in all the Group Companies. Without prejudice to the generality of the foregoing, all provisions of the Agreement relating to the Board and committees of the Board, Shareholders and their meetings shall *mutatis mutandis* be applicable to the proceedings, decision and action of the board of directors and shareholders of the Group Companies and the committees of the board of directors of the Group Companies. For avoidance of doubt, if any matter is required to be decided at the board or committee or shareholders meeting of any of the Group Company, it will be first placed before the Board or Committee or Shareholders' meeting of the Company, as the case may be. Once decided at the Board or Committee or Shareholders' meeting of the Company, the directors or authorised representatives of the Company at the board or committee or shareholders meeting of the Group Company shall act *in-tandem* and in line with the decision that took place at the Board or Committee or Shareholders meeting of the Company.

**12.5 Alteration of Articles.** Any amendment to the Company's Articles will be subject to the approval of the Investor and if the rights and obligations of Investor are changed, then, Investor's consent will be required for such amendment. If any conflict exists between the terms of the Agreement and the Company's Articles, the terms of the Agreement alone shall prevail, and the Articles shall be amended (from time to time) to incorporate and give effect, to the maximum extent possible, the terms contained in the Agreement and the Parties agree to take all necessary actions in this regard.

**12.6 No Superior Rights.** No Person (whether such Person is a Shareholder of the Company or any other Person) shall be granted any rights, which are superior to the rights of the Investor, without the Investor's written consent. In the event any superior rights are to be granted to a Person, then such superior rights shall be automatically available to the Investor and deemed to be incorporated as a part of the Agreement.

**12.7 Foreign Corrupt Practices Act.**

12.7.1 The Company shall not and shall not permit any of its Affiliates or Group Companies or any of its or their respective directors, shareholders, officers, managers, employees, independent contractors, representatives or agents to -- promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official, in each case, in violation of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, Prevention of Corruption Act, 1988,

Prevention of Money Laundering Act, 2002 or any other applicable anti-bribery or anti-corruption law (the “**Anti-Corruption Laws**”). The Company shall, and shall cause each of its Affiliates and Group Companies to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Affiliates or Group Companies, or any of their respective directors, shareholders, officers, managers, employees, independent contractors, representatives or agents in violation of the Anti-Corruption Laws. The Company shall and shall cause each of its Affiliates and Group Companies to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the Anti-Corruption Laws. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable Anti-Corruption Laws.

12.7.2 None of the Company nor any of the Company’s shareholders, directors, officers or employees has violated or have made, directly or indirectly, any payment or promise to pay, or gift or promise to give or authorized such a promise or gift, of any money or anything of value, directly or indirectly, to (a) any foreign official (as such term is defined in the Anti-Corruption Laws) for the purpose of influencing any official thereof or decision of a Governmental Authority, or (b) any foreign political party or official thereof or candidate for foreign political office for the purpose of influencing any official act or decision of such party, official or candidate or inducing such party, official or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, in the case of both (a) and (b) above in order to assist the Company or any of its Affiliates, as applicable. None of the Company nor any of its shareholders, directors, officers or employees has made, offered or promised any bribe rebate, payoff, influence payment, kickback or other unlawful payment of funds to any Person or received or retained any funds in violation of any Law, rule or regulation. None of the Company’s shareholders, directors, officers, or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution, or other enforcement action related to the Anti-Corruption Laws.

12.7.3 Neither the Company nor any of the Promoters (a) are persons with whom transactions are currently prohibited under the U.S. economic sanctions and any other applicable (or equivalent) measure; (b) as on the Execution Date and the Effective Date, have any outstanding orders in any business, transactions or other activities with any such prohibited Person; and (c) as on the Execution Date and the Effective Date, have any outstanding orders in any business, transactions prohibited by the U.S. economic sanctions and any other applicable (or equivalent) measure.

12.7.4 Neither the Company nor any Director acting for or on behalf of the Company, directly or indirectly, has established or maintains any funds or Assets, in which the Company has proprietary rights, that have been recorded in the books and records of the Company.

## 12.8 Controlled Foreign Corporation.

12.8.1 The Company shall not be a ‘Controlled Foreign Corporation’ as defined in the U.S. Internal Revenue Code of 1986, as amended (or any successor thereto). The Company shall make due inquiry with its tax advisors on at least an annual basis regarding the Company’s status as a ‘Controlled Foreign Corporation’ as defined in the U.S. Internal Revenue Code of 1986, as amended (or any successor thereto) and regarding whether any portion of the Company’s income is ‘subpart F income’ (as defined in Section 952 of the U.S. Internal Revenue Code) and global intangible low-taxed income (“GILTI”) (as defined in section 951A of the U.S. Internal Revenue Code). Investor shall reasonably co-operate with the Company to provide information about Investor and Investor’s Partners in order to enable the Company’s tax advisors to determine the status of Investor and/or any of Investor’s Partners as a ‘United States Shareholder’ within the meaning of section 951(b) of the U.S. Internal Revenue Code. No later than 60 (sixty) days following the end of each taxable year of the Company, the Company shall provide the following information to Investor: (a) the Company’s capitalisation table as of the end of the last day of such taxable year, and (b) a report regarding the Company’s status as a ‘Controlled Foreign Corporation’. In addition, the Company shall provide to Investor with access to such other Company information as may be necessary for Investor to determine the Company’s status as a ‘Controlled Foreign Corporation’ and to determine whether the Investor or Investor’s Partners are required to report its *pro rata* portion of the Company’s ‘subpart F Income’ on its United States federal income tax return, global intangible low-taxed income (“GILTI”) or to allow the Investor or Investor’s Partners to otherwise comply with applicable United States federal income tax laws. The Company and the Shareholders of the Company shall not, without the written consent of the Investor, issue or Transfer stock in the Company to the Investor if following such issuance or Transfer the Company, in the determination of counsel or accountants for Investor, would be a ‘Controlled Foreign Corporation’. In the event that the Company is determined by the Company’s tax advisors or by counsel or accountants for Investor to be a ‘Controlled

Foreign Corporation’, the Company agrees to use commercially reasonable efforts to avoid generating subpart F Income and global intangible low-taxed income (GILTI”). Further, GEPL and SAGF maybe considered as a ‘United States Shareholder’ owning, within the meaning of section 958(a), stock in the Company.

12.8.2 The Company shall not be, with respect to its taxable year during which the Closing Date occurs, a ‘passive foreign investment company’ or ‘PFIC’ within the meaning of section 1297 of the Internal Revenue Code of 1986, as amended (or any successor thereto). The Company shall use commercially reasonable efforts to avoid being a ‘passive foreign investment company’ within the meaning of section 1297 of the Internal Revenue Code of 1986, as amended (or any successor thereto). In connection with a ‘Qualified Electing Fund’, election made by the Investor pursuant to section 1295 of the Internal Revenue Code of 1986, as amended, or a ‘Protective Statement’ filed by any of Investor’s Partners pursuant to Treasury Regulation Section 1.1295-3, as amended (or any successor thereto), the Company shall provide annual financial information to the Investor in the form provided in **Schedule V** to the SSSHA (or in such other form as may be required to reflect changes in applicable Law) as soon as reasonably practicable following the end of each taxable year of the Company (but in no event later than 60 (sixty) days following the end of each such taxable year), and shall provide Investor with access to such other Company information as may be required for purposes of filing United States federal income tax returns of the Investor’s Partners in connection with such ‘Qualified Electing Fund’ election or ‘Protective Statement’. The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the company is treated as corporation for United States federal income tax purposes.

12.8.3 The Company shall make due inquiry with its tax advisors (and shall co-operate with Investor’s tax advisors with respect to such inquiry) on at least an annual basis regarding whether Investor’s or any Investor’s Partners direct or indirect interest in the Company is subject to the reporting requirements of either or both of sections 6038 and 6038B of the Code (and the Company shall duly inform Investor of the results of such determination), and in the event that Investor’s or any Investor’s Partners direct or indirect interest in Company is determined by the Company’s tax advisors or Investor’s tax advisors to be subject to the reporting requirements of either or both of sections 6038 and 6038B, Company agrees, upon a request from Investor, to provide such information to Investor may be necessary to fulfil Investor’s or Investor’s Partners obligations thereunder.

12.8.4 For purposes of this Clause 12.8 and **Schedule V** to the SSSHA, (a) the term “**Investor’s Partners**” means each of the Investor’s partners and any direct or indirect equity owners of such partners; and (b) “**Company**” means the Company and any of its Group Companies.

#### 12.9 Transaction with Prohibited Persons.

12.9.1 The Company shall not, and the Promoters shall ensure that the Company and its Group Companies shall not:

(a) enter into any transaction or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter.

(b) Conduct business or enter into any transaction with, or transmit any funds through, a shell bank.

12.9.2 If any of the Company or its Group Companies and/or the Promoters become aware of any violation of this Clause 12.9, such Person shall promptly within 7 (seven) Business Days from the date of becoming aware of such violation, notify the Investor in writing, and the Company determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from the Investor, and shall furnish documentary support for such response upon the Investor’s request.

#### 12.10 OFAC.

12.10.1 The Company shall not, directly or indirectly, use the Subscription Amount (or any further investment amount invested by the Investor) or lend, contribute or otherwise make available the Subscription Amount (or any further investment amount invested by the Investor) to any Group Company or Third Party for the purpose of funding or facilitating any activities or business of or with any person towards any sales or operations in Cuba, Iran, Libya, Syria, Sudan, the Democratic People’s Republic of Korea, Myanmar or any other country sanctioned by the Office of Foreign Assets Control of the U.S. Department of Treasury

("OFAC") or for the purpose of funding any operations or financing any investments in, or make any payments to, any person targeted by or subject to any sanctions imposed by the European Union (including under Council Regulation (EC) No. 194/2008), the United Nations Security Council, Her Majesty's Treasury or any other relevant governmental entity and any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended or the Iran /sanctions Act, as amended (collectively, the "Sanctions").

12.10.2 The Company will use the Subscription Amount in accordance with the provisions of the Transaction Documents and with Investor's prior written consent. The use of Subscription Amount will be in compliance with and will not result in the breach by the Company and the Promoters, any officers, employee, director, agent, affiliate or person acting on behalf of the Company; and the Company further covenants not to engage, directly or indirectly, in any other activities that would result in violation of Sanctions by any Person, including any Person participating in the transaction.

#### 12.11 Environmental Matters.

12.11.1 The Company has complied with and shall be in compliance with all the Environmental Laws in all respects and has obtained and is in compliance with all applicable environmental permits. No written and/or formal notice of violation of liability has been received by the Company, and no litigation is pending or is threatened (as evidenced by a notice in writing received by the Company) by the Person involving the Company relating to or arising out of any Environmental Law. No order has been issued, no penalty or fine has been assessed involving the Company relating to or arising out of any Environmental Law.

12.11.2 No release of Hazardous Substance has occurred at any properties currently owned, leased, operated or used by the Company that has resulted in any cost, liability or obligation of the Company under the Environmental Law. The Company has not conducted any environmental site assessments, audits, investigations and studies for itself or any of its Group Companies. The Company has not received any notice from any authority under Environmental Law requiring it to take action for compliance with Environmental Law, or any written notice regarding pollution of the environment or harm to human health.

12.12 **Greenhouse Gas Audit.** The Investor may require the Company and/or the Group Companies to undergo a greenhouse gas audit annually, by a Third Party agency acceptable to the Investor. The Company shall, and the Promoters shall ensure that the Company and the Group Companies, extend full cooperation and provide all necessary information and documents required for the conduct of such audit. All such costs and expenses in relation to the conduct of such annual greenhouse gas audit shall be borne by the Company.

12.13 **Action Plan.** The Company shall, and the Promoters shall ensure that the Company and the Group Companies shall, implement and comply with the Action Plan and undertake the Business of the Company and/or Group Companies in compliance with the Applicable S&E Law. The compliance with the Action Plan and Applicable S&E Law shall be reviewed by a Third Party service provider appointed by the Investor on an annual basis. The Company will also be subject to an annual ESG audit by an independent auditor / audit agency as approved by the Investor at the cost of the Company. Based on the findings of such Third Party service provider, the Action Plan, as presently set out in **Schedule VII** to the SSSHA, shall be revised / modified mutually by the Investor, the Company and the Promoters, if deemed necessary by such Third Party service provider, and the Company shall implement and comply with such revised / modified Action Plan, as the case may be, from time to time. Within 24 (twenty four) hours after its occurrence, the Company and Promoters shall notify the Investor of any social, labor, health and safety, security or environmental incident, accident or circumstance having, or which could reasonably be expected to have, any material adverse social, health, labour, health and safety, security and/or environmental impact or any material adverse impact on the implementation or operation of the Business in compliance with the Action Plan and/or Applicable S&E Law, specifying in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures the Group Company is taking or plans to take to address them and to prevent any future similar event; and keep the Investor informed of the on-going implementation of those measures.

#### 12.7 Other Covenants.

12.7.1 **Big Four Auditors.** The Company and the Promoters shall ensure that the Company shall at all times appoint one of the Big Four Auditors as its Auditor. At Investor's request, the Company shall provide all information and documents required to justify the treatment of any item in the accounts of the Company.

**12.7.2 Disclosures.** The Company and the Promoters covenant and undertake the following without limitation:

(a) The Company will forthwith, as soon as the Company becomes aware, notify the Investor from time to time of any pending or threatened or contemplated suits, litigations or proceedings against or affecting the Company, Promoters or their Assets.

(b) The Company shall forthwith notify the Investor in case of any liquidated damages / payment obligation is triggered in accordance with any of the arrangements with Maharashtra State Electricity Transmission Ltd, Energy Efficiency Services Ltd, Maharashtra Pollution Control Board and STPI, Bangalore or with any other entity.

(c) The Company will not default in the performance of any of its governmental, statutory, contractual or other obligations, except as a result of a *bona fide* dispute in respect of the said governmental, regulatory, statutory, contractual or other obligations.

(d) The Business of the Company will be run in the ordinary course and in accordance with all the professional rules, standards, Laws or regulations in connection therewith.

(e) The Company will notify the Investor in writing of any notice of default under any Material Contract entered into by the Company immediately upon becoming aware of it and will from time to time, on reasonable request deliver to the Investor a certificate confirming that no such notice of default has been received or setting out details of any such notice and the action taken or proposed to be taken to remedy it.

(f) The Company shall maintain adequate property and business insurance and any other insurance as may be required as per applicable Law.

(g) The Company shall preserve, protect and maintain its corporate existence as a private limited company (as defined under the Act), its rights, franchises, and privileges, and all properties necessary or useful for the proper conduct of its Business.

(h) The Company shall adopt a board resolution codifying the Company's commitment to responsible business practices and provide a copy of the resolution to the Investor within 7 (seven) days of passing thereof.

### **12.7.3 Business Plan.**

The Company shall, and the Promoters shall ensure that the Company shall, duly comply with the Business Plan approved by the Investor from time to time including for the Financial Year 2018-19. The Business Plan shall comprise of the business strategy, capital expenditure, means of finance, projected financial statements including profit & loss account, balance sheet and cash flow statements of the Company and its Group Companies for the ongoing Financial Year in significant detail and high level projections for the subsequent 3 (three) Financial Years and would form the basis of management of the business of the Company and its Group Companies until such time that the same is duly updated / revised with the written consent of the Investor and to the satisfaction of the Investor. The Business Plan shall be approved by the Investor annually and updated / revised at the time of approving any expansion, diversification or acquisition. It is clarified that the Business Plan shall always lay down the head wise details of capital expenditure on new investments, investments in new businesses and/or products or acquisitions of Assets, construction or lease, any revenue sharing or hire purchase arrangements and the Investor approval of the Business Plan would signify its approval of expenditure for the particular head. If the actual expenditure on a particular head is less than the amount approved as part of the Business Plan, then the Company and Promoters shall not be entitled to use the balance amount for any other head. For any such utilisation, the specific Investor approval in writing will be required.

### **12.147.4 Offshore Subsidiaries.**

With respect to subsidiary of the Company (namely, BodHost Ltd.) and step down wholly owned subsidiaries (namely, eUKhost Ltd. and WebHosting UK Com Ltd. – collectively “**Step Down Subsidiaries**”), the Company shall, and the Promoter shall cause and ensure that:

(a) within 1 (one) month from the Effective Date, the ownership of BodHost Ltd is transferred from the Company to the Promoters, subject to terms, conditions and mechanics of Transfer as approved by the Investor, without resulting in any negative impact on the Company, financial or otherwise;

(b) the Step Down Subsidiaries will continue to seek the services of the Company on such terms that are at par (if not better) than the terms currently prevalent and such terms, conditions to be approved by the Investor;

(c) BodHost Ltd. and Step Down Subsidiaries will be subjected to non-solicitation and non-compete restrictions as specified in Clause 12.3 and, neither in India nor beyond, they shall undertake or engage, directly or indirectly, in any activities that are in competition with the Business of the Company.

**12.7.5 ESOP Plan.** Within 30 days from the Execution Date of the Investment Cum Third Amendment to the SSSHA, the Company and the Promoters shall create the ESOP Plan, in such a form and manner as approved by the Investors. The Promoters shall contribute up to 2,200,000 Equity Shares to the pool for the ESOP Plan out of their holding of the Equity Shares. It is clarified that the ESOP pool will not dilute the Investor's shareholding in the Company.

**12.7.6 Use of Proceeds.** The Company and the Promoters hereby confirm that the proceeds of any investment in the Company as per the Transaction Documents will be utilised by the Company in the manner as stipulated in the relevant Transaction Documents and with Investor's prior written consent, towards capital expenditure, sales and marketing activities and balance sheet enhancement to support additional working capital.

**12.7.7 IP Protection.** The Company and the Promoters hereby confirm they shall renew the patent number GB2493812 dealing with method and system for real time detection of resource requirement and automatic adjustments upon its expiry on June 18, 2018. The Company and Promoters will protect their intellectual property by way of including but not limited to procuring trademark registrations for the proprietary brands eMagic and MTVScan, etc.

**12.7.8 Recovery of advance by ESDS Internet.** The Company and the Promoters shall cause ESDS Internet to recover the advance amounts aggregating to INR 7,95,10,806 (Rupees Seven Crore Ninety Five Lakhs Ten Thousand Eight Hundred Six Only) given by it together with the applicable interest thereon, within 45 (forty five) days from the Effective Date.

**12.7.9 MPCB Approval / Consent.** The Company and/or its Group Company, as applicable, will procure the necessary consents/ approvals / permissions from the Maharashtra Pollution Control Board ("MPCB") with respect to the data center located at Navi Mumbai in accordance with the provisions of applicable Laws.

**12.7.10 Shops and Establishment License:** The Company shall obtain shops and establishment licenses for its Bangalore, Delhi, Nashik and Navi Mumbai office premises within 30 days from the Effective Date hereunder.

**12.7.11 UK Counsel Confirmation:** On or before June 15, 2018, the Company shall procure a counsel confirmation / legal opinion stating the following:

"To whomsoever it may concern, this is to inform that ESDS Software Solution Limited is not a beneficial shareholder of Hyperslice Limited, UK and no remittance from India or otherwise has been made by ESDS Software Solution Private Limited to Hyperslice Limited, UK or any other Person for becoming the shareholder of Hyperslice Ltd."

### **13. EVENT OF DEFAULT AND ACCELERATED EXIT**

13.1 Occurrence of any of the following events in respect of the Promoters and/or the Company ("**Defaulting Party**") at any point in time shall be referred to as an event of default ("**Event of Default**") for the purpose of the Articles, Agreement and the Transaction Documents:

13.1.1 any breach or default by the Defaulting Party of any provisions, obligations, covenants or undertakings of the Agreement or any of the Transaction Documents;

13.1.2 breach of any representations and warranties and indemnities contained in the SSSHA or any of the Transaction Documents; or

13.1.3 any act or omission by the Defaulting Party, through their agents or employees, constituting intentional misrepresentation, gross negligence, fraud, or wilful misconduct in respect of or concerning the Company; or

13.1.4 illegality or cessation of Business of the Company; or

13.1.5 breach of any of the Covenants as set out in Clause 12 hereof; or

13.1.6 occurrence of a Liquidation Event vis-à-vis the Defaulting Parties and/or the Company; or

13.1.7 occurrence of a Key Man Event; or

13.1.8 occurrence of a Material Breach; or

13.1.9 ownership percentage of the Promoters in the Company falling below 49.99% of the share capital of the Company, other than as approved by the Investor in writing.

13.2 It is clarified that on the occurrence of an Event of Default vis-à-vis any of the Promoters and/or the Company, the Promoters shall, jointly and severally, be deemed to be the Defaulting Parties.

13.3 Consequences of occurrence of Event of Default.

13.3.1 In the event of the occurrence of an Event of Default, the non-defaulting Party i.e. the Investor (“**Non Defaulting Party**”) shall have the right, but not the obligation, to give notice of the alleged Event of Default (“**Default Notice**”) to the Defaulting Party. The Defaulting Party shall have a period of 30 (thirty) days from the receipt of the Default Notice to rectify the Event of Default (“**Rectification Period**”).

13.3.2 In case of occurrence of an Event of Default set out in Clause 13.1, if upon the expiry of the Rectification Period, such Event of Default has not been rectified to the satisfaction of the Investor, then, the Investor shall, without prejudice to any other rights under the Transaction Documents or Law, have the right to undertake all such actions, deeds and steps as it may deem necessary to rectify such defaults at the cost and expenses of the Promoters and the Promoters shall provide all necessary assistance to the Investor and shall keep the Investor indemnified in this regard.

13.3.3 Notwithstanding the above, if upon expiry of the Rectification Period, an Event of Default has not been rectified to the satisfaction of the Investor, then, the Investor shall, without prejudice to any other rights under the Transaction Documents or Law, have the sole and absolute right and entitlement (but not the obligation) to:

- a) Exercise the Drag Along Right in terms of Clause 9.4 hereof;
- b) Cause the Company and the Promoters to undertake a Strategic Sale in terms of Clause 9.2 hereof to achieve a full exit of the Investor from the Company;
- c) Cause the Company to undertake a buy back in terms of Clause 9.3 hereof;
- d) Enforce its rights and entitlements under the Transaction Documents and otherwise available to it under the Law;
- e) Take all such other actions expressly permitted under the Transaction Documents, as deemed fit by it;
- f) Cause winding up of the Company;
- g) Exercise such other remedies as permitted under the applicable Laws. ;
- h) Change the conversion formula for the conversion of the Subscription Shares, the Subscription Securities, Class B1 CCPS, and/or the CCDs such that the Investor is entitled to receive the maximum number of Equity Shares in the Company as may be permissible under applicable Laws.

13.4 Notwithstanding anything contained hereinabove, the Defaulting Party shall remain liable and be



responsible for due discharge, performance and compliance with all obligations and liabilities arising out of the actions set out in this Clause 13.

13.5 The Parties agree, acknowledge and undertake that on occurrence of an Event of Default, the Investor shall, at its sole and absolute discretion and without assigning any order of priority or preference and, or, following any order of priority, be entitled to enforce all or any of the remedies mentioned hereunder or under Law available to it.

## **SCHEDULE I: INVESTOR PROTECTION MATTERS**

Subject to Clause 4.12, the following matters in relation to the Company and each of the Group Companies shall require prior written consent of the Investor:

1. Alteration or changes to the rights, preferences or privileges of any Securities;
2. Mergers, demergers, restructuring, acquisitions, change of voting control, sale or transfer of any assets or business, amalgamations, consolidations, spin-offs, compromise with creditors, other similar or related actions, including any Liquidation Event;
3. Divestment of or sale of Assets of businesses, lease, license or exchange or pledge in any other way proposing to dispose any Assets or undertaking in excess of INR 1,00,00,000 (Rupees One Crore Only) on a cumulative basis, in any Financial Year or substantially all of the Assets or undertaking of the Company;
4. Amendment to the Memorandum and/or Articles;
5. Appointment / removal of any Key Managerial Personnel and Promoter 1 or change the terms of employment of any Key Managerial Personnel, including without limitation compensation and stock option plan and any change in the terms and conditions of their employment;
6. Creation (by reclassification or otherwise) and/or issuance of any new class or series of Securities for the purpose of including but not limited for raising further capital of the Company;
7. Determining whether or not to proceed with the Public Offer including the pricing, and place/stock exchange of an initial public offering by the Company or public offering of Securities in any manner permitted by applicable Law;
8. Any action that results in the redemption or buy-back of any Securities of the Company;
9. Any modifications to the capital structure of the Company, including issue of any new Securities, transfer of Securities, creation of options (including employees stock options) or warrants, issuance of convertible debt, reduction of share capital, bonuses, debt restructuring involving conversion into equity that involve issuance of Equity Shares;
10. Any contracts or dealings by the Company with its Promoters or its directors or with any other Related Party or new commitment (including by means of amending any existing contract with Related Party);
11. Expanding or instruction of new employee option pool, option grants, through issue of employee options or any similar instrument. Modification of existing or introduction of fresh schemes related to ESOP Plan;
12. Introduction, modification, adoption of the Business Plan;
13. Adoption of financial statements of the Company;
14. Formation of any subsidiary or entering into any joint venture, partnership or similar arrangement by the Company or any of its future subsidiaries, acquisition of other businesses;
15. Commencement of any new line of business other than as stated in the main objects clause of the Memorandum of the Company which is in effect as on the date hereof and the Business as stated in the Agreement;
16. Capital expenditures including any new investments, investments in new businesses and/or products, or acquisitions of Assets, construction or lease, any revenue sharing or hire purchase arrangements exceeding INR 1,00,00,000 (Rupees One Crore Only), over the agreed capital expenditures as per the Business Plan for each Financial Year on a cumulative basis;
17. Commencement or defence of any litigation which may be made or threatened by or against the Company or any Promoters or Affiliate of the aforementioned Persons;

18. Entering into any agreement, arrangement or transaction (whether written or otherwise) for purchase, sale, transfer, assignment, licensing, sub-licensing, franchising, consulting or assigning of Intellectual Property Rights of the Company including those relating to brands, copyrights, trademarks, patents and designs;
19. Occurrence of any Liquidation Event on the Company, its Group Companies or any of their future Affiliates;
20. Changes in the authorized number of Directors on the Board, the manner of appointment of Directors, or appointment of any Directors or the constitution of the Board or the number of nominee Directors to be appointed on the Board by the Promoters;
21. Transfer of Securities by any Shareholder (except the Investor) at any time;
22. Declaration and distribution of dividend or payment of any deemed dividends or approving other distributions on any Securities of the Company;
23. Authorizing any Indebtedness (including contingent liability or any new sanction of debt by way of sanction letter or otherwise) over the agreed limit of Indebtedness as per the Business Plan for each Financial Year or creation of any lien or charges on the Assets in connection therewith;
24. Appointment / change of the statutory or internal auditors of the Company including terms of appointment;
25. Changes to accounting or tax policies or practices (other than as required by applicable Law);
26. Formation of any committees of the Board;
27. Prepayment of any creditors (other than sundry creditors);
28. Appointment, removal, change of any independent Directors on the Board, the approval of or payment of any fee, compensation or other remuneration (in cash, in kind or otherwise) to any of the Directors in his capacity as Director of the Company;
29. Change of Control over the Company;
30. Utilization by the Company of its working capital and operating reserves in excess of 5% (five per cent) of the Business Plan;
31. Provision of loans to / from any of the Directors or their relatives;
32. Discontinue or cease to operate all or a part of its business or resolve to be wound up;
33. Conversion of the Company from a private company to a public company;
34. (a) Institution, contesting and/or settlement of any legal proceeding which are critical based on the assessment of the Investor, or (b) where the legal proceedings involves amount exceeding INR 10,00,000 (Rupees Ten Lakh Only);
35. Not enter into, directly or indirectly, any letter of award or any other similar document / agreement with Software Technology Park of India, Bengaluru;
36. Execution, amendment and/or termination of the service agreements with the Step Down Subsidiaries;
37. Unless otherwise approved by the Investment Committee, amending or renewing or terminating Material Contracts;
38. Any modification of any provisions of any of the loan and financing documents, security documents, escrow documents and intimation of any occurrence of an event of default under such loan agreements;
39. Enter into or make any amendment to the terms and conditions of any provident fund, pension scheme or

other benefit scheme, unless mandatorily required under Law;

40. Providing any loan or advance to any Related Party or any loan or advance that is not in the ordinary course of business;

41. Without prejudice of para 40 above, providing any loan or advance exceeding INR 1,00,00,000 (Rupees One Crore Only) to any Person;

41A. Any addition, removal or amendment to the bank account signatories of any bank accounts of the Company; or any amendments to the authority limits granted to bank account signatories of any bank account of the Company.

42. Enter into any guarantee, indemnity or other agreement to secure any obligation of a third party or create or agree to create any Encumbrance over any of its Assets or undertaking; and

43. Any agreement or understanding to do any of the forgoing with respect to the Company or any of its Group Companies.

**SCHEDULE II: TERMS OF SUBSCRIPTION SHARES**  
**(not being Subscription Securities, terms of which are provided under Schedule III hereto)**

The Subscription Shares and Additional Subscription Shares shall have the following characteristics, including certain rights vested in the holder thereof which are in addition to, and without prejudice to, the other rights of the holder thereof. Unless otherwise expressly mentioned in the Agreement, the terms, preferences, rights and privileges of such Securities shall rank senior and superior to any other Securities issued / proposed to be issued by the Company.

For the purpose of this **Schedule II**, unless otherwise specified or unless the context otherwise requires, the reference to the term Subscription Shares shall deem to mean and include the Additional Subscription Shares.

**1. Equity Shares.** The number of Equity Shares to be issued to the holder of the Subscription Shares upon conversion shall, subject to the other terms and conditions set forth in the Agreement, is set out in para 3 below.

**2. Dividends.**

(a) Subject to applicable Law, the holder of Subscription Shares shall be entitled, to receive a cumulative dividend rate of 0.01% (zero point zero one percent) in priority to holder of all other Securities.

(b) If the Company declares a dividend on Equity Shares at a rate, which is higher than the rate mentioned above in para 2(a) above, the holder of Subscription Shares shall be entitled to receive such higher rate of dividend on the Subscription Shares, in priority to holder of Equity Shares or other Securities.

(c) The dividend entitlement of the holder of Subscription Shares, shall be computed on a Fully Diluted Basis.

(d) The Company shall not declare and pay any dividend, unless dividend is paid in accordance with this para 2(a) on Subscription Shares.

(e) The Subscription Shares are cumulative preference shares. Accordingly, if dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the Company, all unpaid dividends must be first paid to the holder of Subscription Shares, before disbursement of dividends to any other Shareholders.

(f) In the event of winding up of the Company, subject to the applicable Law permitting, the holder of Subscription Shares shall carry a priority over other shareholders for payment of all unpaid dividends and par value of the Subscription Shares, from and out of the proceeds of winding up as more particularly provided in para 5.

**3. Conversion.**

(a) The holder of Subscription Shares shall have the right to convert any or all of the Subscription Shares as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into Equity Shares of the Company without any additional payment to the Company for such conversion, as per the terms hereof.

(b) At the end of the 10th (tenth) year from the date of issuance, the Subscription Shares which are not so converted shall stand automatically converted into Equity Shares of the Company as per the terms hereof. If mandated by applicable Law, Subscription Shares shall automatically convert to Equity Shares immediately prior to listing of the Company's Shares on any Stock Exchange as per the terms hereof.

(c) Unless otherwise mutually agreed by the holder of Subscription Shares and the Company, but subject to applicable Law, the Subscription Shares shall have a conversion ratio ("**Conversion Ratio**") into Equity Shares at the rate of 1:1.764706 (i.e. 1 Subscription Share will convert into 1.764706 Equity Shares). However, the aggregate voting rights of the Investor on the Investor' Shares shall not exceed 34.51%.

(d) Notwithstanding the above, if the Company is able to fulfil all of the following conditions, to the satisfaction of the holder of the Subscription Shares, then, the Conversion Ratio referred in para 3(d) above, shall change to 1:1:

(i) Mr. Piyush Somani, Dr. Rajeev Papneja, Ms. Komal Somani and Mr. Ranjit Metrani continues in their respective roles as Key Management Personnel of the Company till March 31, 2019;

(ii) The EBITDA of the Company based on the audited financial statements of the Company for the year ending March 31, 2019 is in excess of INR 33,00,00,000 (Rupees Thirty Three Crore Only); and

(iii) The number of servers in active use as on March 31, 2019 are in excess of 450

If the actual EBITDA, basis the audited financial statements of the Company for the year ended March 31, 2018, is less than 5% from the provisional EBITDA of INR 29,80,00,000 (Rupees Twenty Nine Crore Eighty Lakhs Only) or the actual Net Debt basis, the audited financial statements of the Company for the year ended March 31, 2018 is more than 5% from the provisional Net Debt of INR 74,90,00,000 (Rupees Seventy Four Crore Ninety Lakhs Only), then the EBITDA multiple of 7.4x shall be applied on the actual audited numbers and the conversion ratio referred herein shall be suitably adjusted to compute the Investor's aggregate shareholding in the Company, subjecting that the Investor's Shareholding on a Fully Diluted Basis shall not be less than 34.51% in any event.

**EBITDA** referred herein would mean earnings before interest, tax, depreciation and amortisation;

**Net Debt** referred herein would mean at any time the aggregate of the outstanding principal amount of any monies borrowed or due by the Company of whatsoever nature together with any unpaid interest thereon including the amounts due to creditors with deferred payment options and amount towards redemption of Preference Shares; as reduced by cash and bank balances of the Company, save and except the bank balance which are held with banks under a lien towards loan offered by a bank to the Company and/or bank guarantees issued by a bank in favour of the Company.

(e) Upon conversion of the Subscription Shares, no fractional Equity Shares shall be issued and allotted to the holder of Subscription Shares. In the event, there occurs a situation where any fractional Equity Shares need to be issued to the holder of Subscription Shares upon exercise of conversion right or due to compulsory conversion, such fraction shall be rounded off to the nearest whole number.

(f) The Conversion Ratio for the Subscription Shares, in effect from time to time, shall be subject to adjustments as follows:

(i) In the event the outstanding Equity Shares shall be sub-divided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the Conversion Ratio shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. each Subscription Share shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be combined or consolidated into a lesser number of Equity Shares, the Conversion Ratio shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each Subscription Share shall be entitled to lesser number of Equity Shares).

(ii) In the event the Company makes, or fixes a record date for the determination of holder of Equity Shares entitled to receive, any distribution payable in property or in securities of the Company other than (a) for the adjustments pursuant to para 5 or para 6 of this Schedule; or (b) in connection with the dividend under para 2 (but without prejudice to the provisions thereof), then and in each such event, the holder of Subscription Shares on converting the Subscription Shares and shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the Subscription Shares been converted into Equity Shares on the date of such event on an as if converted basis.

(iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each Subscription Shares shall thereafter be convertible at the option of the holder into (a) such number of shares or other securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such Subscription Shares, shall have been entitled, upon such reorganization, reclassification or other event; or (b) Equity Shares.

(g) The Promoters and the Company shall ensure that any adjustments to the Conversion Ratio shall at all times be subject to applicable Law.

(h) Subject to para 3, for the conversion of the Subscription Shares, the holder of Subscription Shares shall, at such time as per its sole discretion, give a notice of conversion (“**Notice of Conversion**”) to the Company, specifying intention to convert the Subscription Shares held by it. Along with the Notice of Conversion, such holder of Subscription Shares shall either: (i) surrender the certificate or certificates evidencing its holding of the Subscription Shares, duly endorsed, at the office of the Company; or (ii) notify the Company that such certificates have been lost, stolen or destroyed and shall give written notice to the Company at such office that it elects to convert the same; or (iii) in case the Shares are in dematerialized form, transfer the Shares to the Company in accordance with the procedure laid down under applicable Law.

(i) The Company shall, within 30 (thirty) calendar days of issue of Notice of Conversion, issue and deliver to the holder of Subscription Shares, (xx) a certificate or certificates, duly executed and stamped; or (yy) in case the Shares are in dematerialized form, credit to the demat account of the holder, for the number of Equity Shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted Subscription Shares. The Company shall cause the register of members of the Company to be updated to effect the conversion as well as file such forms electronically with the relevant Governmental Authority. In the event of a compulsory conversion, all outstanding Subscription Shares shall be converted into Equity Shares, in accordance with applicable Law.

(j) The conversion of Subscription Shares shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Subscription Shares to be converted, and the holder of Subscription Shares shall be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a IPO of the Company’s Shares, the Subscription Shares shall be converted into Equity Shares in accordance with applicable Law.

(k) Upon the occurrence of each adjustment or readjustment of the Conversion Ratio, as applicable, pursuant to this Schedule, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of Subscription Shares, a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and, (iii) the number of Equity Shares and the amount, if any, or other property which at the time would be received by the holder of Subscription Shares upon the conversion of or a distribution for the Subscription Shares. The Company shall, upon the written request of a holder of Subscription Shares, furnish or cause to be furnished to such holder of Subscription Shares a certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Ratio at the time in effect, and (iii) the number of Equity Shares and the amount, if any, of other property which at the time would be received by such holder of Subscription Shares upon conversion of or a distribution for Subscription Shares.

**4. Meeting and Voting rights.** The holder of Subscription Shares shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an as if converted basis; provided that, the cumulative voting rights on the Subscription Shares (including Additional Subscription Shares) shall not exceed 4.5%. Further, if the holder of Subscription Shares are unable to exercise their voting rights in a meeting of all Shareholders, the Promoters and other Shareholders holding Equity Shares shall vote in accordance with the instructions of the holder of such Subscription Shares at a general meeting or provide proxies without instructions, to the holder of such Subscription Shares for the purpose of a general meeting, equal to the percentage of Equity Shares in the Company that holder of such Subscription Shares would hold if they were to elect to convert the Subscription Shares into Equity Shares.

**5. Liquidation Preference.** Upon occurrence of Liquidation Event, the holders of Subscription Shares shall have a preference over the other Shareholders of the Company for return of capital as per the mechanism set out in Clause 11 of the Agreement.

**6. Anti-Dilution Protection.** The holder of Subscription Shares shall be provided anti-dilution protection in accordance with the mechanism set out in Clause 8 of the Agreement.

**7. Reorganization, Reclassification.** In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Shares or the Company declares a distribution (other than dividend for cash) on its Equity Shares or the Company authorizes the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or upon occurrence of any other similar transaction (each, a “**Transaction**”):

(i) then the Company shall mail to holder of Subscription Shares, at holder's address as it appears on the books of the Company, as promptly as possible but in any event at least 15 (fifteen) days prior to the applicable date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares on record will be entitled to such dividend, distribution or granting of rights or warrants are to be determined.

(ii) the Company shall execute and deliver to holder of Subscription Shares at least 15 (fifteen) Business Days prior to effecting such Transaction a certificate, signed by (i) the chief executive officer of the Company and (ii) the chief financial officer of the Company, stating that the holder of Subscription Share shall have the right to receive in such Transaction, in respect of each Subscription Share held by it on as if converted basis, a security identical to (and not less favourable than) those offered in respect of the Equity Shares in relation to that Transaction, and provision shall be made therefor in the agreement, if any, relating to such Transaction.

**8. Variation.** The terms of the Subscription Shares shall not be varied without the consent of holder thereof.

**9. Transferability.** The Company shall ensure that the Subscription Shares are freely transferable at all times and shall register the Transfer thereof whenever such Subscription Shares are sold by the holder thereof. The transferee of the Subscription Shares shall hold all such rights as are available to holder hereof with respect to its Subscription Shares in the Company, on a proportionate basis.



### **SCHEDULE III: TERMS AND CONDITIONS OF THE CLASS A PREFERENCE SHARES**

The Class A Preference Shares shall have the following characteristics, including certain rights vested in the holder thereof which are in addition to, and without prejudice to, the other rights of the holder thereof. Unless otherwise expressly mentioned in the Agreement, the terms, preferences, rights and privileges of such Securities shall rank senior and superior to any other Securities issued / proposed to be issued by the Company.

#### **1. Nomenclature.**

Each of these 0.01% compulsorily convertible cumulative Preference Shares shall be referred to as “**Class A Preference Shares**”.

#### **2. Equity Shares.**

The number of Equity Shares to be issued to the holder of the Class A Preference Shares upon conversion shall, subject to the other terms and conditions set forth in the Agreement, be set out in para 4 below.

#### **3. Dividends.**

(a) Subject to applicable Law, the holder of Class A Preference Shares shall be entitled, to receive a cumulative dividend rate of 0.01% (zero point zero one percent) in priority to holder of all other Securities.

(b) If the Company declares a dividend on Equity Shares at a rate, which is higher than the rate mentioned above in para 3(a) above, the holder of Class A Preference Shares shall be entitled to receive such higher rate of dividend on the Class A Preference Shares, in priority to holder of Equity Shares or other Securities.

(c) The dividend entitlement of the holder of Class A Preference Shares, shall be computed on a Fully Diluted Basis.

(d) The Company shall not declare and pay any dividend, unless dividend is paid in accordance with this para 3(a) on Class A Preference Shares.

(e) The Class A Preference Shares are cumulative preference shares. Accordingly, if dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the Company, all unpaid dividends must be first paid to the holder of Class A Preference Shares, before disbursement of dividends to any other Shareholders.

(f) In the event of winding up of the Company, subject to the applicable Law permitting, the holder of Class A Preference Shares shall carry a priority over other shareholders for payment of all unpaid dividends and par value of the Class A Preference Shares, from and out of the proceeds of winding up as more particularly provided in para 6.

#### **4. Conversion.**

(a) The holder of Class A Preference Shares shall have the right to convert any or all of the Class A Preference Shares as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into Equity Shares of the Company without any additional payment to the Company for such conversion, as per the terms hereof.

(b) At the end of the 10th (tenth) year from the date of issuance, the Class A Preference Shares which are not so converted shall stand automatically converted into Equity Shares of the Company as per the terms hereof. If mandated by applicable Law, Class A Preference Shares shall automatically convert to Equity Shares immediately prior to listing of the Company's Shares on any Stock Exchange as per the terms hereof.

(c) Unless otherwise mutually agreed by the holder of Class A Preference Shares and the Company, but subject to applicable Law, the Class A Preference Shares shall have a conversion ratio into Equity which shall be determined basis a valuation ("**Class A Preference Shares Implied Equity Value**") of the Company being lower of the following:

- (i) INR 464,00,00,000 (Indian Rupees Four Hundred and Sixty Four Crores); or
- (ii) the value of the Company arrived at by applying a discount of 25% IRR (calculated on an annualized basis) to the pre-money equity valuation of a subsequent round of equity investment raised by the Company from a third party investor ("**Subsequent Round of Investment**").

The conversion price per Class A Preference Shares shall be the Class A Preference Shares Implied Equity Value as determined in accordance with this Clause above divided by the pre-money diluted share capital of the Company considering the number of (i) the Equity shares and (ii) the Subscription Shares on an as-converted basis in accordance with the terms of the SSSHA ("**Class A Preference Shares Conversion Price**"). The Class A Preference Shares Conversion Ratio shall be INR 722 (being the subscription price per Class A Preference Shares ) divided by the Class A Preference Shares Conversion Price ("**Class A Preference Shares Conversion Ratio**"). Each Class A Preference Shares shall convert into such number of Equity Shares equivalent to the Class A Preference Shares Conversion Ratio.

Provided that, 4(c)(ii) herein shall not apply in case the Equity Shares of the Company are listed on the Bombay Stock Exchange or the National Stock Exchange, on or prior to March 31, 2022.

Further, this sub-clause (c) shall take effect only upon the completion of transfer of 2,200,000 Equity Shares by the Promoters to an employee stock option trust.

(d) Upon conversion of the Class A Preference Shares, no fractional Equity Shares shall be issued and allotted to the holder of Class A Preference Shares. In the event, there occurs a situation where any fractional Equity Shares need to be issued to the holder of Class A Preference Shares upon exercise of conversion right or due to compulsory conversion, such fraction shall be rounded off to the nearest whole number.

(e) The conversion ratio for the Class A Preference Shares, in effect from time to time, shall be subject to adjustments as follows:

(i) In the event the outstanding Equity Shares shall be sub-divided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. each Class A Preference Share shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be combined or consolidated into a lesser number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each Class A Preference Share shall be entitled to lesser number of Equity Shares).

(ii) In the event the Company makes, or fixes a record date for the determination of holder of Equity Shares entitled to receive, any distribution payable in property or in securities of the Company other than (a) for the adjustments pursuant to para 6 or para 7 of this Schedule; or (b) in connection with the dividend under para

3 (but without prejudice to the provisions thereof), then and in each such event, the holder of Class A Preference Shares on converting the Class A Preference Shares and shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the Class A Preference Shares been converted into Equity Shares on the date of such event on an as if converted basis.

(iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each Class A Preference Shares shall thereafter be convertible at the option of the holder into (a) such number of shares or other securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such Class A Preference Shares, shall have been entitled, upon such reorganization, reclassification or other event; or (b) Equity Shares.

(f) The Promoters and the Company shall ensure that any adjustments to the conversion ratio shall at all times be subject to applicable Law.

(g) Subject to para 4, for the conversion of the Class A Preference Shares, the holder of Class A Preference Shares shall, at such time as per its sole discretion, give a notice of conversion (“**Notice of Conversion**”) to the Company, specifying intention to convert the Class A Preference Shares held by it. Along with the Notice of Conversion, such holder of Class A Preference Shares shall either: (i) surrender the certificate or certificates evidencing its holding of the Class A Preference Shares, duly endorsed, at the office of the Company; or (ii) notify the Company that such certificates have been lost, stolen or destroyed and shall give written notice to the Company at such office that it elects to convert the same; or (iii) in case the Shares are in dematerialized form, transfer the Shares to the Company in accordance with the procedure laid down under applicable Law.

(h) The Company shall, within 30 (thirty) calendar days of issue of Notice of Conversion, issue and deliver to the holder of Class A Preference Shares, (a) a certificate or certificates, duly executed and stamped; or (b) in case the Shares are in dematerialized form, credit to the demat account of the holder, for the number of Equity Shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted Class A Preference Shares. The Company shall cause the register of members of the Company to be updated to effect the conversion as well as file such forms electronically with the relevant Governmental Authority. In the event of a compulsory conversion, all outstanding Class A Preference Shares shall be converted into Equity Shares, in accordance with applicable Law.

(i) The conversion of Class A Preference Shares shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Class A Preference Shares to be converted, and the holder of Class A Preference Shares shall be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a IPO of the Company’s Shares, the Class A Preference Shares shall be converted into Equity Shares in accordance with applicable Law.

(j) Upon the occurrence of each adjustment or readjustment of the conversion ratio, as applicable, pursuant to this Schedule, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of Class A Preference Shares, a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and, (iii) the number of Equity Shares and the amount, if any, or other property which at the time would be received by the holder of Class A Preference Shares upon the conversion of or a distribution for the Class A Preference Shares . The Company shall, upon the written request of a holder of Class A Preference Shares , furnish or cause to be furnished to such holder of Class A Preference Shares a certificate setting forth (i) such adjustments and readjustments, (ii) the conversion ratio at the time in effect, and (iii) the number of Equity

Shares and the amount, if any, of other property which at the time would be received by such holder of Class A Preference Shares upon conversion of or a distribution for Class A Preference Shares.

**5. Meeting and Voting rights.**

The holder of Class A Preference Shares shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an as if converted basis; provided that, until the conversion ratio of the Class A Preference Shares is not determined as per paragraph 4 (*Conversion*) of this Schedule, the voting right on each such Class A Preference Shares shall be in the ratio of 1:1 and after the determination of such conversion ratio as per the paragraph 4 (*Conversion*) of this Schedule, the voting right on each such Class A Preference Share shall be on the basis of the determined conversion ratio. Further, if the holder of Class A Preference Shares are unable to exercise their voting rights in a meeting of all Shareholders, the Promoters and other Shareholders holding Equity Shares shall vote in accordance with the instructions of the holder of such Class A Preference Shares at a general meeting or provide proxies without instructions, to the holder of such Class A Preference Shares for the purpose of a general meeting, equal to the percentage of Equity Shares in the Company that holder of such Class A Preference Shares would hold if they were to elect to convert the Class A Preference Shares into Equity Shares.

**6. Liquidation Preference.**

Upon occurrence of Liquidation Event, the holders of Class A Preference Shares shall have a preference over the other Shareholders of the Company for return of capital as per the mechanism set out under Article 11 of Part B of Part II of these articles.

**7. Reorganization, Reclassification.**

In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Shares or the Company declares a distribution (other than dividend for cash) on its Equity Shares or the Company authorizes the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or upon occurrence of any other similar transaction (each, a “**Transaction**”):

(i) then the Company shall mail to holder of Class A Preference Shares, at holder's address as it appears on the books of the Company, as promptly as possible but in any event at least 15 (fifteen) days prior to the applicable date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares on record will be entitled to such dividend, distribution or granting of rights or warrants are to be determined.

(ii) the Company shall execute and deliver to holder of Class A Preference Shares at least 15 (fifteen) Business Days prior to effecting such Transaction a certificate, signed by (i) the chief executive officer of the Company and (ii) the chief financial officer of the Company, stating that the holder of Class A Preference Shares shall have the right to receive in such Transaction, in respect of each Class A Preference Shares held by it on as if converted basis, a security identical to (and not less favourable than) those offered in respect of the Equity Shares in relation to that Transaction, and provision shall be made therefor in the agreement, if any, relating to such Transaction.

**8. Variation.**

The terms of the Class A Preference Shares shall not be varied without the consent of holder thereof.

9. **Transferability.**

The Company shall ensure that the Class A Preference Shares are freely transferable at all times and shall register the Transfer thereof whenever such Class A Preference Shares are sold by the holder thereof. The transferee of the Class A Preference Shares shall hold all such rights as are available to holder hereof with respect to its Class A Preference Shares in the Company, on a proportionate basis.

#### **SCHEDULE IV: TERMS AND CONDITIONS OF THE CCDS**

The CCDs shall have the following characteristics, including certain rights vested in the holder thereof which are in addition to, and without prejudice to, the other rights of the holder thereof. Unless otherwise expressly mentioned in these Articles, the terms, preferences, rights and privileges of such Securities shall rank senior and superior to any other Securities issued / proposed to be issued by the Company.

1. Equity Shares.

The number of Equity Shares to be issued to the holder of the CCDs upon conversion shall, subject to the other terms and conditions set forth in these Articles, be set out in para 3 below.

2. Interest.

(a) Unless otherwise mutually agreed by the holder of CCDs and the Company, but subject to applicable Law, the holder of CCDs shall be entitled, to receive a cumulative dividend rate of 0.01% (zero point zero one percent) from the date of allotment of the CCDs, in priority to holder of all other Securities.

3. Conversion.

(a) Any holder of the CCDs shall have the right to convert any or all of the CCDs as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into Equity Shares of the Company without any additional payment to the Company for such conversion, as per the terms hereof.

(b) At the end of the 10th (tenth) year from the date of issuance, the CCDs which are not so converted shall stand automatically converted into Equity Shares of the Company as per the terms hereof. If mandated by applicable Law, the CCDs shall automatically convert to Equity Shares immediately prior to listing of the Company's Shares on any Stock Exchange as per the terms hereof.

(c) Unless otherwise mutually agreed by the holder of CCDs and the Company, but subject to applicable Law, the CCDs shall convert into Equity Shares at a ratio, which shall be determined basis a valuation of the Company ("CCD Implied Equity Value") being lower of the following:

- (i) INR 1,600,00,00,000 (Indian Rupees One Thousand Six Hundred Crores); or
- (ii) the value of the Company arrived at by applying a discount of 25% IRR (calculated on an annualized basis) to the pre-money equity valuation of a subsequent round of equity investment raised by the Company from a third party investor ("Subsequent Round of Investment"), less the aggregate of the amounts invested for the subscription to the CCD's, Class B1 CCPS and Class C CCPS.

The conversion price per CCD shall be the CCD Implied Equity Value as determined in accordance with this Clause above divided by the pre-money diluted share capital of the Company considering the number of (i) Equity Shares and (ii) the Subscription Shares and Class A Preference Shares, on an as-converted basis, in accordance with the terms of the SSSHA ("CCD Conversion Price"). The CCD Conversion Ratio shall be Rs 479 (being the subscription price per CCD) divided by the CCD Conversion Price ("CCD Conversion Ratio"). Each CCD shall convert into such number of Equity Shares equivalent to the CCD Conversion Ratio.

Provided that, 3(c)(ii) herein shall not apply in case the Equity Shares of the Company are listed on Bombay Stock Exchange or the National Stock Exchange, on or prior to March 31, 2022.

Further, this sub-clause (c) shall take effect only upon the completion of transfer of 2,200,000 Equity Shares by the Promoters to an employee stock option trust.

Notwithstanding the above, if, as a result of the Subsequent Round of Investment (as defined in the First Amendment), Class A Preference Shares or Class C CCPS are to be converted at a price below the fair market value arrived at the time of issuance of the Class A Preference Shares or the Class C CCPS, then, to the extent permissible under applicable law, then appropriate adjustments shall be made to the CCD Implied Equity Value.

(d) Upon conversion of the CCDs, no fractional Equity Shares shall be issued and allotted to the holder of the CCDs. In the event, there occurs a situation where any fractional Equity Shares need to be issued to the holder

of CCDs upon exercise of conversion right or due to compulsory conversion, such fraction shall be rounded off to the nearest whole number.

(e) The conversion ratio for the CCDs, in effect from time to time, shall be subject to adjustments as follows:

(i) In the event the outstanding Equity Shares shall be sub-divided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. each CCD shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be combined or consolidated into a lesser number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each CCD shall be entitled to lesser number of Equity Shares).

(ii) In the event the Company makes, or fixes a record date for the determination of holder of Equity Shares entitled to receive, any distribution payable in property or in securities of the Company other than (a) for the adjustments pursuant to para 5 or para 6 of this Schedule; or (b) in connection with the dividend under para 2 (but without prejudice to the provisions thereof), then and in each such event, the holder of CCD on converting the CCD and shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the CCD been converted into Equity Shares on the date of such event on an as if converted basis.

(iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each CCD shall thereafter be convertible at the option of the holder into (a) such number of shares or other securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such CCD, shall have been entitled, upon such reorganization, reclassification or other event; or (b) Equity Shares.

(f) The Promoters and the Company shall ensure that any adjustments to the conversion ratio shall at all times be subject to applicable Law.

(g) Subject to para 3, for the conversion of the CCD, the holder of CCDs shall, at such time as per its sole discretion, give a notice of conversion (“CCD Conversion Notice”) to the Company, specifying intention to convert the CCDs held by it. Along with the CCD Conversion Notice, such holder of CCDs shall either: (i) surrender the certificate or certificates evidencing its holding of the CCDs, duly endorsed, at the office of the Company; or (ii) notify the Company that such certificates have been lost, stolen or destroyed and shall give written notice to the Company at such office that it elects to convert the same; or (iii) in case the Shares are in dematerialized form, transfer the Shares to the Company in accordance with the procedure laid down under applicable Law.

(h) The Company shall, within 30 (thirty) calendar days of issue of CCD Conversion Notice, issue and deliver to the holder of CCDs, (a) a certificate or certificates, duly executed and stamped; or (b) in case the Shares are in dematerialized form, credit to the demat account of the holder, for the number of Equity Shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted CCDs. The Company shall cause the register of members of the Company to be updated to effect the conversion as well as file such forms electronically with the relevant Governmental Authority. In the event of a compulsory conversion, all outstanding CCDs shall be converted into Equity Shares, in accordance with applicable Law.

(i) The conversion of CCDs shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the CCDs to be converted, and the holder of CCDs shall be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a IPO of the Company’s Shares, the CCDs shall be converted into Equity Shares in accordance with applicable Law.

(j) Upon the occurrence of each adjustment or readjustment of the conversion ratio, as applicable, pursuant to this Schedule, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of CCDs, a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and, (iii) the number of Equity Shares and the amount, if any, or other property which at the time would be received by the holder of CCDs upon the conversion of or a distribution for the CCDs. The Company shall, upon the written request of a holder of CCDs, furnish or cause to be furnished to such holder of CCDs a certificate setting forth (i) such adjustments and readjustments, (ii) the conversion ratio at the time in effect, and (iii) the number of Equity Shares and the amount, if any, of other property which at the time would be received by such holder of CCDs upon conversion of or a

distribution for CCDs.

5. Meeting and Voting rights.

The holder of CCDs shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an as if converted basis. Until the conversion of the CCDs into Equity Shares, the Promoters shall vote in accordance with the instructions of the holders of the CCDs at a General Meeting or provide proxies without instructions to the holders of the CCDs for the purposes of a General Meeting, in respect of such number of Equity Shares held by each of them such that a relevant percentage (the "Relevant Percentage") of the Equity Shares of the Company are voted on in the manner required by the holders of the CCDs. For the purposes of this paragraph 5, the Relevant Percentage in respect of the holders of the CCDs shall be equal to the percentage of Equity Shares in the Company that the holders of the CCDs would hold if they were to elect to convert its CCDs, into Equity Shares in accordance with paragraph 3. The obligation of the Promoter to vote its Equity Shares as aforesaid shall be pro-rated in accordance with their respective shareholding in the Company.

6. Liquidation Preference.

Upon occurrence of Liquidation Event, the Holders of the CCDs shall be entitled to receive in respect of each CCD, prior and in preference to any distribution of any assets or funds to the holders of the preference shares (of any class or series) of the Company or Equity Shares, the amount invested by the Participating Investors in relation to the CCDs.

7. Reorganization, Reclassification.

In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Shares or the Company declares a distribution (other than dividend for cash) on its Equity Shares or the Company authorizes the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or upon occurrence of any other similar transaction (each, a "Transaction"):

(i) then the Company shall mail to holder of CCDs, at holder's address as it appears on the books of the Company, as promptly as possible but in any event at least 15 (fifteen) days prior to the applicable date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares on record will be entitled to such dividend, distribution or granting of rights or warrants are to be determined.

(ii) the Company shall execute and deliver to holder of CCDs at least 15 (fifteen) Business Days prior to effecting such Transaction a certificate, signed by (i) the chief executive officer of the Company and (ii) the chief financial officer of the Company, stating that the holder of CCDs shall have the right to receive in such Transaction, in respect of each CCDs held by it on as if converted basis, a security identical to (and not less favourable than) those offered in respect of the Equity Shares in relation to that Transaction, and provision shall be made therefor in the agreement, if any, relating to such Transaction.

8. Variation.

The terms of the CCDs shall not be varied without the consent of holder thereof.

9. Transferability.

The Company shall ensure that the CCDs are freely transferable at all times and shall register the Transfer thereof whenever such CCDs are sold by the holder thereof. The transferee of the CCDs shall hold all such rights as are available to holder hereof with respect to its CCDs in the Company, on a proportionate basis.



## **SCHEDULE V: TERMS AND CONDITIONS OF THE CLASS B1 CCPS**

The Class B1 CCPS shall have the following characteristics, including certain rights vested in the holder thereof which are in addition to, and without prejudice to, the other rights of the holder thereof. Unless otherwise expressly mentioned in these Articles, the terms, preferences, rights and privileges of such Securities shall rank senior and superior to any other Securities (other than the CCDs) issued / proposed to be issued by the Company, provided that the Class B1 CCPS shall rank pari passu with all other Preference Shares issued by the Company.

1. Nomenclature.

Each of these 0.01% compulsorily convertible cumulative preference shares shall be referred to as “Class B1 CCPS”.

2. Equity Shares.

The number of Equity Shares to be issued to the holder of the Class B1 CCPS upon conversion shall, subject to the other terms and conditions set forth in these Articles, be set out in para 4 below.

3. Dividends.

(a) Unless otherwise mutually agreed by the holder of Class B1 CCPS and the Company, but subject to applicable Law, the holder of Class B1 CCPS shall be entitled, to receive a cumulative dividend rate of 0.01% (zero point zero one percent) from the date of allotment of the Class B1 CCPS, in priority to holder of all other Securities.

(b) If the Company declares a dividend on Equity Shares at a rate, which is higher than the rate mentioned above in para 3(a) above, the holder of Class B1 CCPS shall be entitled to receive such higher rate of dividend on the Class B1 CCPS, in priority to holder of Equity Shares or other Securities (other than the CCDs, but pari passu with the holders of the Preference Shares, Class A Preference Shares).

(c) The dividend entitlement of the holder of Class B1 CCPS, shall be computed on a Fully Diluted Basis.

(d) The Company shall not declare and pay any dividend, unless dividend is paid in accordance with this para 3(a) on Class B1 CCPS.

(e) The Class B1 CCPS are cumulative preference shares. Accordingly, if dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the Company, all unpaid dividends must be first paid to the holder of Class B1 CCPS, before disbursement of dividends to any other Shareholders (but pari passu to the holders of the Preference Shares and/or the holders of the Class A Preference Shares).

(f) In the event of winding up of the Company, subject to the applicable Law permitting, the holder of Class B1 CCPS shall carry a priority over other shareholders, but pari passu with the other Preference Shares issued by the Company, for payment of all unpaid dividends and par value of the Class B1 CCPS, from and out of the proceeds of winding up as more particularly provided in para 6.

4. Conversion.

(a) The holder of Class B1 CCPS shall have the right to convert any or all of the Class B1 CCPS as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into Equity Shares of the Company without any additional payment to the Company for such conversion, as per the terms hereof.

(b) At the end of the 10th (tenth) year from the date of issuance, the Class B1 CCPS which are not so converted shall stand automatically converted into Equity Shares of the Company as per the terms hereof. If mandated by applicable Law, Class B1 CCPS shall automatically convert to Equity Shares immediately prior to listing of the Company's Shares on any Stock Exchange as per the terms hereof.

(c) Unless otherwise mutually agreed by the holder of Class B1 CCPS and the Company, but subject to applicable Law, the Class B1 CCPS shall convert into Equity Shares at a ratio , which shall be determined by

providing the Company a valuation (“Class B1 CCPS Implied Equity Value”) of the lower of the following:

- (i) INR 2000,00,00,000 (Indian Rupees Two Thousand Crores); or
- (ii) the value arrived at by applying a discount of 25% IRR (calculated on an annualized basis) to the pre-money equity valuation of a subsequent round of equity investment raised by the Company from a third party investor (“Subsequent Round of Investment”) less the aggregate of the amounts invested for the subscription to the Class B1 CCPS and Class C CCPS.

The conversion price per Class B1 CCPS shall be the Class B1 CCPS Implied Equity Value as determined in accordance with this Clause above divided by the pre-money diluted share capital of the Company considering the number of (i) Equity Shares and (ii) the Subscription Shares, Class A Preference Shares, and the CCD’s on an as-converted basis in accordance with the terms of the SSSHA (“Class B1 CCPS Conversion Price”). The Class B1 CCPS Conversion Ratio shall be Rs 479 (being the subscription price per Class B1 CCPS) divided by the Class B1 CCPS Conversion Price (“Class B1 CCPS Conversion Ratio”). Each Class B1 CCPS shall convert into such number of Equity Shares equivalent to the Class B1 CCPS Conversion Ratio.

Notwithstanding the above, if, as a result of the Subsequent Round of Investment (as defined in the SSSHA), if the Class A Preference Shares or Class C CCPS are to be converted at a price below the fair market value arrived at the time of issuance of the Class A Preference Shares or the Class C CCPS as the case maybe, then, to the extent permissible under applicable law, then appropriate adjustments shall be made to the Class B1 CCPS Implied Equity Value.

Provided that, 4(C)(ii) herein shall not apply in case the Equity Shares of the Company are listed on the Bombay Stock Exchange or the National Stock Exchange, on or prior to March 31, 2022.

Further, this sub-clause (c) shall be effective in accordance with the terms set out in the Investment Agreement Cum Third Amendment Agreement.

(d) Upon conversion of the Class B1 CCPS, no fractional Equity Shares shall be issued and allotted to the holder of Class B1 CCPS. In the event, there occurs a situation where any fractional Equity Shares need to be issued to the holder of Class B1 CCPS upon exercise of conversion right or due to compulsory conversion, such fraction shall be rounded off to the nearest whole number.

(e) The conversion ratio for the Class B1 CCPS, in effect from time to time, shall be subject to adjustments as follows:

(i) In the event the outstanding Equity Shares shall be sub-divided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. each Class B1 CCPS shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be combined or consolidated into a lesser number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each Class B1 CCPS shall be entitled to lesser number of Equity Shares).

(ii) In the event the Company makes, or fixes a record date for the determination of holder of Equity Shares entitled to receive, any distribution payable in property or in securities of the Company other than (a) for the adjustments pursuant to para 6 or para 7 of this Schedule; or (b) in connection with the dividend under para 3 (but without prejudice to the provisions thereof), then and in each such event, the holder of Class B1 CCPS on converting the Class B1 CCPS and shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the Class B1 CCPS been converted into Equity Shares on the date of such event on an as if converted basis.

(iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each Class B1 CCPS shall thereafter be convertible at the option of the holder into (a) such number of shares or other securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such Class B1 CCPS, shall have been entitled, upon such reorganization, reclassification or other event; or (b) Equity Shares.

(f) The Promoters and the Company shall ensure that any adjustments to the conversion ratio shall at all times be subject to applicable Law.

(g) Subject to para 4, for the conversion of the Class B1 CCPS, the holder of Class B1 CCPS shall, at such time as per its sole discretion, give a notice of conversion (“Class B1 Conversion Notice”) to the Company, specifying intention to convert the Class B1 CCPS held by it. Along with the Class B1 Conversion Notice, such holder of Class B1 CCPS shall either: (i) surrender the certificate or certificates evidencing its holding of the Class B1 CCPS, duly endorsed, at the office of the Company; or (ii) notify the Company that such certificates have been lost, stolen or destroyed and shall give written notice to the Company at such office that it elects to convert the same; or (iii) in case the Shares are in dematerialized form, transfer the Shares to the Company in accordance with the procedure laid down under applicable Law.

(h) The Company shall, within 30 (thirty) calendar days of issue of Class B1 Conversion Notice, issue and deliver to the holder of Class B1 CCPS, (a) a certificate or certificates, duly executed and stamped; or (b) in case the Shares are in dematerialized form, credit to the demat account of the holder, for the number of Equity Shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted Class B1 CCPS. The Company shall cause the register of members of the Company to be updated to effect the conversion as well as file such forms electronically with the relevant Governmental Authority. In the event of a compulsory conversion, all outstanding Class B1 CCPS shall be converted into Equity Shares, in accordance with applicable Law.

(i) The conversion of Class B1 CCPS shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Class B1 CCPS to be converted, and the holder of Class B1 CCPS shall be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a IPO of the Company’s Shares, the Class B1 CCPS shall be converted into Equity Shares in accordance with applicable Law.

(j) Upon the occurrence of each adjustment or readjustment of the conversion ratio, as applicable, pursuant to this Schedule, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of Class B1 CCPS, a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and, (iii) the number of Equity Shares and the amount, if any, or other property which at the time would be received by the holder of Class B1 CCPS upon the conversion of or a distribution for the Class B1 CCPS. The Company shall, upon the written request of a holder of Class B1 CCPS, furnish or cause to be furnished to such holder of Class B1 CCPS a certificate setting forth (i) such adjustments and readjustments, (ii) the conversion ratio at the time in effect, and (iii) the number of Equity Shares and the amount, if any, of other property which at the time would be received by such holder of Class B1 CCPS upon conversion of or a distribution for Class B1 CCPS.

#### 5. Meeting and Voting rights.

The holder of Class B1 CCPS shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an as if converted basis; provided that, until the conversion ratio of the Class B1 CCPS is not determined as per paragraph 4 (Conversion) of this Schedule, the voting right on each such Class B1 CCPS shall be in the ratio of 1:1 and after the determination of such conversion ratio as per the paragraph 4 (Conversion) of this Schedule, the voting right on each such Class B1 CCPS shall be on the basis of the determined conversion ratio. Further, if the holder of Class B1 CCPS are unable to exercise their voting rights in a meeting of all Shareholders, the Promoters and other Shareholders holding Equity Shares shall vote in accordance with the instructions of the holder of such Class B1 CCPS at a general meeting or provide proxies without instructions, to the holder of such Class B1 CCPS for the purpose of a general meeting, equal to the percentage of Equity Shares in the Company that holder of such Class B1 CCPS would hold if they were to elect to convert the Class B1 CCPS into Equity Shares.

#### 6. Liquidation Preference.

Upon occurrence of Liquidation Event, the holders of Class B1 CCPS shall have a preference over the other Shareholders of the Company for return of capital as per the mechanism set out in Clause 11 of the SSSHA.

#### 7. Reorganization, Reclassification.

In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or

other change of outstanding Shares or the Company declares a distribution (other than dividend for cash) on its Equity Shares or the Company authorizes the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or upon occurrence of any other similar transaction (each, a “Transaction”):

(i) then the Company shall mail to holder of Class B1 CCPS, at holder's address as it appears on the books of the Company, as promptly as possible but in any event at least 15 (fifteen) days prior to the applicable date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares on record will be entitled to such dividend, distribution or granting of rights or warrants are to be determined.

(ii) the Company shall execute and deliver to holder of Class B1 CCPS at least 15 (fifteen) Business Days prior to effecting such Transaction a certificate, signed by (i) the chief executive officer of the Company and (ii) the chief financial officer of the Company, stating that the holder of Class B1 CCPS shall have the right to receive in such Transaction, in respect of each Class B1 CCPS held by it on as if converted basis, a security identical to (and not less favourable than) those offered in respect of the Equity Shares in relation to that Transaction, and provision shall be made therefor in the agreement, if any, relating to such Transaction.

8. Variation.

The terms of the Class B1 CCPS shall not be varied without the consent of holder thereof.

9. Transferability.

The Company shall ensure that the Class B1 CCPS are freely transferable at all times and shall register the Transfer thereof whenever such Class B1 CCPS are sold by the holder thereof. The transferee of the Class B1 CCPS shall hold all such rights as are available to holder hereof with respect to its Class B1 CCPS in the Company, on a proportionate basis.

## **SCHEDULE VI: TERMS AND CONDITIONS OF THE CLASS C CCPS**

The Class C CCPS shall have the following characteristics, including certain rights vested in the holder thereof which are in addition to, and without prejudice to, the other rights of the holder thereof. Unless otherwise expressly mentioned in this schedule, the terms, preferences, rights and privileges of such Securities shall rank senior and superior to any other Securities issued / proposed to be issued by the Company.

### **1. Nomenclature.**

Each of these 0.01% compulsorily convertible cumulative Preference Shares shall be referred to as “**Class C CCPS**”.

### **2. Equity Shares.**

The number of Equity Shares to be issued to the holder of the Class C CCPS upon conversion shall, subject to the other terms and conditions set forth in this schedule, be set out in para 4 below.

### **3. Dividends.**

- (a) Subject to applicable Law, the holder of Class C CCPS shall be entitled, to receive a cumulative dividend rate of 0.01% (zero point zero one percent) in priority to holder of all other Securities.
- (b) If the Company declares a dividend on Equity Shares at a rate, which is higher than the rate mentioned above in para 3(a) above, the holder of Class C CCPS shall be entitled to receive such higher rate of dividend on the Class C CCPS, in priority to holder of Equity Shares or other Securities.
- (c) The dividend entitlement of the holder of Class C CCPS, shall be computed on a Fully Diluted Basis.
- (d) The Company shall not declare and pay any dividend, unless dividend is paid in accordance with para 3(a) on Class C CCPS.
- (e) The Class C CCPS are cumulative preference shares. Accordingly, if dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the Company, all unpaid dividends must be first paid to the holder of Class C CCPS, before disbursement of dividends to any other Shareholders.
- (f) In the event of winding up of the Company, subject to the applicable Law permitting, the holder of Class C CCPS shall carry a priority over other shareholders for payment of all unpaid dividends and par value of the Class C CCPS, from and out of the proceeds of winding up as more particularly provided in para 6.

### **4. Conversion.**

- (a) The holder of Class C CCPS shall have the right to convert any or all of the Class C CCPS as the case may be at its sole discretion and at any time within 10 (ten) years from the date of their issuance, into Equity Shares of the Company without any additional payment to the Company for such conversion, as per the terms hereof.
- (b) At the end of the 10th (tenth) year from the date of issuance, the Class C CCPS which are not so converted shall stand automatically converted into Equity Shares of the Company as per the terms hereof. If

mandated by applicable Law, Class C CCPS shall automatically convert to Equity Shares immediately prior to listing of the Company's Shares on any Stock Exchange as per the terms hereof.

- (c) Unless otherwise mutually agreed by the holder of Class C CCPS and the Company, but subject to applicable Law, the Class C CCPS shall convert into Equity Shares at a ratio, which shall be determined basis a valuation of the Company ("**Class C CCPS Implied Equity Value**") being lower of the following:
- (i) INR 2475,00,00,000 (Indian Rupees Two Thousand Four Hundred and Seventy Five Crores); or
  - (ii) In the event a subsequent round of equity investment is raised by the Company from a third party investor ("**Subsequent Round of Investment**") within a period of 1 (one) year from the Class C CCPS Closing Date, then, the value arrived at by applying 25% (twenty five percent) discount to the pre-money equity valuation of the Subsequent Round of Investment less the aggregate of the invested for the subscription to the Class C CCPS; or
  - (iii) the value of the Company arrived at by applying a discount of 25% IRR (calculated on an annualized basis) to the pre-money equity valuation of the Subsequent Round of Investment less the aggregate of the amounts invested for the subscription to the Class C CCPS.

The conversion price per Class C CCPS shall be the Class C CCPS Implied Equity Value as determined in accordance with this Clause above divided by the pre-money diluted share capital of the Company considering the number of (i) Equity Shares and (ii) the Subscription Shares, Class A Preference Shares, Class B1 CCPS and the CCD's on an as-converted basis in accordance with the terms of the SSSHA ("**Class C CCPS Conversion Price**"). The Class C CCPS Conversion Ratio shall be Rs 295 (being the subscription price per Class C CCPS) divided by the Class C CCPS Conversion Price ("**Class C CCPS Conversion Ratio**"). Each Class C CCPS shall convert into such number of Equity Shares equivalent to the Class C CCPS Conversion Ratio.

Provided that, (ii) shall not apply in case the Equity Shares of the Company are listed on BSE or NSE, on or prior to March 31, 2022.

- (d) Upon conversion of the Class C CCPS, no fractional Equity Shares shall be issued and allotted to the holder of Class C CCPS. In the event, there occurs a situation where any fractional Equity Shares need to be issued to the holder of Class C CCPS upon exercise of conversion right or due to compulsory conversion, such fraction shall be rounded off to the nearest whole number.
- (e) The conversion ratio for the Class C CCPS, in effect from time to time, shall be subject to adjustments as follows:
- (i) In the event the outstanding Equity Shares shall be sub-divided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. each Class C CCPS shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be combined or consolidated into a lesser number of Equity Shares, the conversion ratio shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each Class C CCPS shall be entitled to lesser number of Equity Shares).

- (ii) In the event the Company makes, or fixes a record date for the determination of holder of Equity Shares entitled to receive, any distribution payable in property or in securities of the Company other than (a) for the adjustments pursuant to para 6 or para 7 of this Schedule; or (b) in connection with the dividend under para 3 (but without prejudice to the provisions thereof), then and in each such event, the holder of Class C CCPS on converting the Class C CCPS and shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the Class C CCPS been converted into Equity Shares on the date of such event on an as if converted basis.
- (iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each Class C CCPS shall thereafter be convertible at the option of the holder into (a) such number of shares or other securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such Class C CCPS, shall have been entitled, upon such reorganization, reclassification or other event; or (b) Equity Shares.
- (f) The Promoters and the Company shall ensure that any adjustments to the conversion ratio shall at all times be subject to applicable Law.
- (g) Subject to para 4, for the conversion of the Class C CCPS, the holder of Class C CCPS shall, at such time as per its sole discretion, give a notice of conversion (“**Notice of Conversion**”) to the Company, specifying intention to convert the Class C CCPS held by it. Along with the Notice of Conversion, such holder of Class C CCPS shall either: (i) surrender the certificate or certificates evidencing its holding of the Class C CCPS, duly endorsed, at the office of the Company; or (ii) notify the Company that such certificates have been lost, stolen or destroyed and shall give written notice to the Company at such office that it elects to convert the same; or (iii) in case the Shares are in dematerialized form, transfer the Shares to the Company in accordance with the procedure laid down under applicable Law.
- (h) The Company shall, within 30 (thirty) calendar days of issue of Notice of Conversion, issue and deliver to the holder of Class C CCPS, (a) a certificate or certificates, duly executed and stamped; or (b) in case the Shares are in dematerialized form, credit to the demat account of the holder, for the number of Equity Shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted Class C CCPS. The Company shall cause the register of members of the Company to be updated to effect the conversion as well as file such forms electronically with the relevant Governmental Authority. In the event of a compulsory conversion, all outstanding Class C CCPS shall be converted into Equity Shares, in accordance with applicable Law.
- (i) The conversion of Class C CCPS shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Class C CCPS to be converted, and the holder of Class C CCPS shall be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a IPO of the Company’s Shares, the Class C CCPS shall be converted into Equity Shares in accordance with applicable Law.
- (j) Upon the occurrence of each adjustment or readjustment of the conversion ratio, as applicable, pursuant to this Schedule, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of Class C CCPS, a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and, (iii) the number of Equity Shares and the amount, if any, or other property which at the

time would be received by the holder of Class C CCPS upon the conversion of or a distribution for the Class C CCPS. The Company shall, upon the written request of a holder of Class C CCPS, furnish or cause to be furnished to such holder of Class C CCPS a certificate setting forth (i) such adjustments and readjustments, (ii) the conversion ratio at the time in effect, and (iii) the number of Equity Shares and the amount, if any, of other property which at the time would be received by such holder of Class C CCPS upon conversion of or a distribution for Class C CCPS.

#### **5. Meeting and Voting rights.**

The holder of Class C CCPS shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an as if converted basis; provided that, until the conversion ratio of the Class C CCPS is not determined as per paragraph 4 (*Conversion*) of this Schedule, the voting right on each such Class C CCPS shall be in the ratio of 1:1 and after the determination of such conversion ratio as per the paragraph 4 (*Conversion*) of this Schedule, the voting right on each such Class C CCPS shall be on the basis of the determined conversion ratio. Further, if the holder of Class C CCPS are unable to exercise their voting rights in a meeting of all Shareholders, the Promoters and other Shareholders holding Equity Shares shall vote in accordance with the instructions of the holder of such Class C CCPS at a general meeting or provide proxies without instructions, to the holder of such Class C CCPS for the purpose of a general meeting, equal to the percentage of Equity Shares in the Company that holder of such Class C CCPS would hold if they were to elect to convert the Class C CCPS into Equity Shares.

#### **6. Liquidation Preference.**

Upon occurrence of Liquidation Event, the holders of Class C CCPS shall have a preference over the other Shareholders of the Company for return of capital as per the mechanism set out in Clause 11 of the SSSHA.

#### **7. Reorganization, Reclassification.**

In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Shares or the Company declares a distribution (other than dividend for cash) on its Equity Shares or the Company authorizes the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or upon occurrence of any other similar transaction (each, a “**Transaction**”):

- (i) then the Company shall mail to holder of Class C CCPS, at holder's address as it appears on the books of the Company, as promptly as possible but in any event at least 15 (fifteen) days prior to the applicable date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares on record will be entitled to such dividend, distribution or granting of rights or warrants are to be determined.
- (ii) the Company shall execute and deliver to holder of Class C CCPS at least 15 (fifteen) Business Days prior to effecting such Transaction a certificate, signed by (a) the chief executive officer of the Company and (b) the chief financial officer of the Company, stating that the holder of Class C CCPS shall have the right to receive in such Transaction, in respect of each Class C CCPS held by it on as if converted basis, a security identical to (and not less favourable than) those offered in respect of the Equity Shares in relation to that Transaction, and provision shall be made therefor in the agreement, if any, relating to such Transaction.



**8. Variation.**

The terms of the Class C CCPS shall not be varied without the consent of holder thereof.

**9. Transferability.**

The Company shall ensure that the Class C CCPS are freely transferable at all times and shall register the Transfer thereof whenever such Class C CCPS are sold by the holder thereof. The transferee of the Class C CCPS shall hold all such rights as are available to holder hereof with respect to its Class C CCPS in the Company, on a proportionate basis.

## SECTION XI - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

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 applicable law.

#### A. Material Contracts for the Offer

1. Registrar Agreement dated August 30, 2021 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
2. Offer Agreement dated September 2, 2021 entered into among our Company, the Selling Shareholders and the BRLMs.
3. Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Monitoring agency agreement dated [●] entered into between our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters.

#### B. Material Documents

8. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
9. Certificate of incorporation dated August 18, 2005 issued by the RoC and certificate of incorporation consequent upon conversion from private company to public company issued by the RoC on July 8, 2021.
10. Resolution of the Board of Directors dated August 7, 2021 approving the Offer and other related matters.
11. Resolution of the Shareholders of our Company dated August 9, 2021 approving the Fresh Issue and other related matters.
12. Resolution of our Board dated August 26, 2021 taking on record the approval for the Offer for Sale by the Selling Shareholders.
13. Resolution of the Board of Directors and IPO Committee of our Company dated August 26, 2021 and September 2, 2021, respectively, approving this Draft Red Herring Prospectus.
14. Consent letters dated August 20, 2021 from each of the Investor Selling Shareholders consenting to participate in the Offer for Sale.

15. Consent letter dated August 20, 2021 from the Promoter Group Selling Shareholder consenting to participate in the Offer for Sale.
16. Written consent dated August 5, 2021 to reproduce part or whole of the Ken Research Report and include their name in this Draft Red Herring Prospectus.
17. Consent dated September 2, 2021, from the Statutory Auditors to include their name as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated August 12, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated September 2, 2021 included in this Draft Red Herring Prospectus.
18. Consent dated September 2, 2021 from Apt Data Center Consultants India LLP, an independent consultant, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent consultant with respect to the certificates issued by him with respect to the proposed purchase and installation of equipment for certain data centers of the Company.
19. The examination report dated August 12, 2021 of the Statutory Auditors on our Restated Consolidated Financial Statements.
20. The statement of possible special tax benefits dated September 2, 2021 from the Statutory Auditors.
21. Share Subscription Agreement dated April 25, 2018 between GEF US Advisors, LLC, South Asia Growth Fund II, L.P., Global Environment Capital Company, LLC, Piyush Prakashchandra Somani and Sarla Prakashchandra Somani and our Company.
22. Share Purchase Agreement dated April 25, 2018 between our Company, Piyush Prakashchandra Somani and Sarla Prakashchandra Somani, Canbank Venture Capital Fund Limited, GEF US Advisors, LLC, South Asia Growth Fund II, L.P. and Global Environment Capital Company, LLC.
23. Share Subscription cum Shareholders Agreement dated May 31, 2018 by and amongst GEF US Advisors, LLC, South Asia Growth Fund II, L.P., Global Environment Capital Company, LLC, Piyush Prakashchandra Somani and Sarla Prakashchandra Somani and our Company.
24. Deed of accession cum amendment dated May 29, 2018 executed between GEF US Advisors, LLC, South Asia Growth Fund II, L.P., Global Environment Capital Company, LLC, Canbank Venture Capital Fund Limited, Piyush Prakashchandra Somani, Sarla Prakashchandra Somani and our Company.
25. Share Subscription Cum Amendment to the SSSHA among South Asia Growth Fund II, L.P., GEF ESDS Partners, LLC, South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited), South Asia Growth Fund II Holdings, LLC, Piyush Prakashchandra Somani, Sarla Prakashchandra Somani, and our Company dated July 30, 2019.
26. Securities Subscription Cum Amendment to the SSSHA among South Asia Growth Fund II, L.P., GEF ESDS Partners, LLC, South Asia EBT Trust (acting through its trustee at the time, Orbis Capital Limited), South Asia Growth Fund II Holdings, LLC, Piyush Prakashchandra Somani, Sarla Prakashchandra Somani, and our Company dated May 22, 2020.
27. Investment Cum Third Amendment to the SSSHA dated August 6, 2021 executed among South Asia Growth Fund II, L.P., GEF ESDS Partners, LLC, South Asia EBT Trust (acting through its trustee, Orbis Trusteeship Services Private Limited), South Asia Growth Fund II Holdings, LLC, Piyush Somani, Sarla Prakashchandra Somani, P.O. Somani Family Trust and our Company
28. Waiver cum amendment agreement to the SSSHA dated August 9, 2021 executed South Asia Growth Fund II, L.P., GEF ESDS Partners, LLC, South Asia EBT Trust (acting through its trustee Orbis Trusteeship Services Private Limited), South Asia Growth Fund II Holdings, LLC, Piyush Prakashchandra Somani, Sarla Prakashchandra Somani, P.O. Somani Family Trust and our Company.
29. Deed of Adherence dated August 30, 2021 between our Company, Sarla Prakashchandra Somani and P.O. Somani Family Trust.

30. Report titled “India Cloud Services and Data Centre - 2020 - 2025” published in August 2021 prepared by Ken Research.
31. Service agreement dated August 9, 2021 between our Company and Piyush Prakashchandra Somani;
32. Service agreement dated August 9, 2021 between our Company and Komal Somani;
33. Copies of annual reports of our Company for the Fiscals 2020 and 2019.
34. Consent of the Directors, BRLMs, Syndicate Members, the legal counsel to our Company as to Indian law, legal counsel to the BRLMs as to Indian law, legal counsel to the Investor Selling Shareholders as to Indian law, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.
35. Tripartite agreement dated August 7, 2021 among our Company, NSDL and the Registrar to the Offer.
36. Tripartite agreement dated July 26, 2021 amongst our Company, CDSL and the Registrar to the Offer.
37. Due diligence certificate dated September 2, 2021 addressed to SEBI from the BRLMs.
38. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
39. SEBI observation letter bearing reference number [●] and dated [●].

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Piyush Prakashchandra Somani**

Managing Director and Chairman

**Place:** Nashik

**Date:** September 02, 2021

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Komal Somani**

Whole Time Director

**Place:** Nashik

**Date:** September 02, 2021

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Alipt Sharma**

(Nominee Director)

**Place:** Mumbai

**Date:** September 2, 2021

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Ramesh Kumar Amudalapalli**

(Independent Director)

**Place:** Mumbai

**Date:** September 02, 2021



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Thandankorai Ganapathy Dhandapani**

(Independent Director)

**Place:** Chennai

**Date:** September 02, 2021

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Uma Manoj Mandavgane**

(Independent Director)

**Place:** Pune

**Date:** September 02, 2021

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations 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 Director of our Company**

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**Pamela Kumar**

(Independent Director)

**Place:** Bangalore

**Date:** September 02, 2021

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**Signed by the Chief Financial Officer**

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**Sandeepkumar Mehta**

(Chief Financial Officer)

**Place:** Mumbai

**Date:** September 02, 2021

## **DECLARATION**

We, GEF ESDS Partners, LLC, an Investor Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us and the Equity Shares being offered by us in the Offer are true and correct. GEF ESDS Partners, LLC assumes no responsibility as an Investor Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**Signed on behalf of GEF ESDS Partners, LLC**

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**Authorised Signatory**

Name: Stuart Barkoff

Designation: Director

Place: Arlington, USA

Date: September 2, 2021

## **DECLARATION**

We, South Asia Growth Fund II, LP, an Investor Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us and the Equity Shares being offered by us in the Offer are true and correct. South Asia Growth Fund II, LP assumes no responsibility as an Investor Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**Signed on behalf of South Asia Growth Fund II, LP**

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**Authorised Signatory**

Name: Stuart Barkoff

Designation: Director

Place: Arlington, USA

Date: September 2, 2021

## **DECLARATION**

We, Orbis Trusteeship Services Private Limited (acting as the trustee of South Asia EBT Trust), an Investor Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us and the Equity Shares being offered by us in the Offer are true and correct. South Asia EBT Trust assumes no responsibility as an Investor Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**Signed on behalf of Orbis Trusteeship Services Private Limited (as the trustee of South Asia EBT Trust)**

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**Authorised Signatory**

Name: Murlidhar R Bakshi

Designation: Vice President

Place: Mumbai

Date: September 2, 2021

## **DECLARATION**

I, Sarla Prakashchandra Somani, the Promoter Group Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility as the Promoter Group Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Sarla Prakashchandra Somani**

Place: Nashik

Date: September 02, 2021