



ACS TECHNOLOGIES LIMITED

CIN: U72200TG1980PLC002703

ACS Technologies Limited (our "Company" or the "Company" or the "Issuer") was incorporated as 'Applied Computer Sciences Organization Private Limited' under the Companies Act, 1956 on June 04, 1980 as a private limited company with a certificate of incorporation granted by the Registrar of Companies, Hyderabad ("RoC"). Pursuant to a special resolution passed by our shareholders dated September 16, 1994, the name of our Company was changed to "ACS Technologies Private Limited" and a fresh certificate of incorporation was issued by the RoC on October 06, 1994. Subsequently, pursuant to a special resolution passed by our Shareholders dated August 03, 1995, our Company was converted into a public limited company and the name of our Company was changed to 'ACS Technologies Limited' and a fresh certificate of incorporation was issued by the RoC on September 20, 1995. For further details, including details of change in registered office of our Company, see "History and Certain Corporate Matters" on page 94 of this Draft Red Herring Prospectus.

Registered Office: 3rd Floor, Plot 797/A, Sai Krishna Building, Road-36, Jubilee Hills, Hyderabad-500033

Tel No.: +91 40 2970 3666, **E-Mail ID:** cs@acstechnologies.co.in, **Website:** www.acstechnologies.co.in

Contact Person: Ms. Hema Kumari, Company Secretary and Compliance Officer,

OUR PROMOTERS: MR. ASHOK KUMAR BUDDHARAJU, MR. PRABHAKARA RAO ALOKAM, MRS. ANITHA ALOKAM AND MRS. RAMADEVI BUDDHARAJU

THE ISSUE

PUBLIC ISSUE OF UPTO 55,00,000 EQUITY SHARES OF ₹10 EACH ("EQUITY SHARES") OF ACS TECHNOLOGIES LIMITED ("ACS" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹[●] LAKHS ("THE ISSUE"), OF WHICH UPTO 3,00,000 EQUITY SHARES OF ₹10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E., ISSUE OF UPTO 52,00,000 EQUITY SHARES OF ₹10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE UPTO 40.17% AND UPTO 37.97%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM"), AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF HINDI NATIONAL NEWSPAPER [●] AND HYDERABAD EDITION OF TELUGU NEWSPAPER [●], (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, 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 Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 193 of this Draft Red Herring Prospectus. A copy of the Red Herring Prospectus and the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.

This Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 read with Regulation 31 of the SEBI (ICDR) Regulations 2018. The Issue is being made in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. For further details please refer section titled "Issue Procedure" beginning on page no. 193 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated under "Basis for Issue Price" on page 63 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 18 of this Draft Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares of our Company issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE EMERGE"). Our Company has received an In-principle approval letter dated [●] from NSE for using its name in the offer document for listing our shares on NSE EMERGE. For the purposes of this Issue, National Stock Exchange of India Limited ("NSE") shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
	MARK CORPORATE ADVISORS PRIVATE LIMITED 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 Tel No.: +91 22 2612 3207/08 E-Mail ID: smeipo@markcorporateadvisors.com Website: www.markcorporateadvisors.com Investor Grievance E-Mail ID: compliance@markcorporateadvisors.com Contact Person: Mr. Manish Gaur SEBI Registration No.: INM000012128		BIGSHARE SERVICES PRIVATE LIMITED C 101, 1 st Floor, 247 Park, 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makhwana Road, Marol, Andheri (E), Mumbai-400059. Tel No.: +91 22 62638200 E-Mail ID: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal SEBI Registration No.: INR000001385

BID/ISSUE PROGRAMME

BID / ISSUE OPENING DATE: [●]

BID / ISSUE CLOSING DATE: [●]

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Listing Regulations, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

Term(s)	Description
‘Our Company’ or ‘The Company’ or ‘The Issuer’	ACS Technologies Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 3 rd Floor, Plot 797/A, Sai Krishna Building, Road-36, Jubilee Hills, Hyderabad-500033
‘we’, ‘us’ or ‘our’	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company Related Terms

Term(s)	Description
Articles/Articles of Association/AOA	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Auditor/Statutory Auditor/ Statutory and Peer Review Auditor/ Peer Review Auditor	The auditor of the Company being M/s. M. M. Reddy & Co., Chartered Accountants, having Office at “Amruthaville Apartments, Right Wing, Raj Bhavan Road, Somajiguda, Hyderabad - 500082
Bankers to Our Company	HDFC Bank Limited, Banjara Hills Branch, Hyderabad
Board/Board of Directors/Our Board	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Director(s)	The Director(s) on the Board of Our Company as appointed from time to time, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of ₹10 each
Equity Shareholders	The holders of Equity Shares of our Company
Group Companies	Such companies/entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details, please refer “ <i>Group Companies</i> ” on page no 117 of this Draft Red Herring Prospectus.
Key Managerial Personnel/ KMP	Key Managerial Personnel of our Company in terms of the SEBI (ICDR) Regulations, 2018 and Companies Act, 2013. For details, please refer “ <i>Our Management</i> ” on page no 101 of this Draft Red Herring Prospectus.
ACS Technologies Limited/ ACS Technologies/ ACS/ the Company/our Company/ we/ us/ our and the Issuer Company	ACS Technologies Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956
Memorandum/Memorandum of Association/MOA	The Memorandum of Association of our Company, as amended from time to time.
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Promoters/Our Promoters	Promoters of Our Company namely, Mr. Ashok Kumar Buddharaju, Mr. Prabhakara Rao Alokam, Mrs. Anitha Alokam and Mrs. Ramadevi

Term(s)	Description
	Buddharaju For details, please refer “ <i>Our Promoters and Promoter Group</i> ” on page no 113 of this Draft Red Herring Prospectus.
Promoter Group	Persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018. For details, please refer “ <i>Our Promoters and Promoter Group</i> ” on page no 113 of this Draft Red Herring Prospectus
Registered Office	3 rd Floor, Plot 797/A, Sai Krishna Building, Road-36, Jubilee Hills, Hyderabad-500033
RoC	Registrar of Companies, Hyderabad

Issue Related Terms

Term(s)	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the ASBA Form
Allot / Allotment / Allotted	The allotment of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	The note or advice or intimation of Allotment of the Equity Shares sent to the 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(s)	A successful Bidder to whom Allotment is made.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used compulsorily by all the Bidders (except Anchor Investors) authorizing the SCSBs to block the Bid Amount in their specified bank account maintained with the SCSB.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid-cum-Application Form submitted by a Bidder, which will be blocked by such SCSB to the extent of the Bid Amount specified by the Bidder.
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter “Issue Procedure” on page no. 193 of this Draft Red Herring Prospectus.
Bid / ASBA Bid	An indication to make an offer during the Bid / Issue Period by a Bidder pursuant to submission of the Bid-cum-Application Form to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Draft Red Herring Prospectus and the Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder or blocked in the ASBA Account on submission of a Bid in the Issue
Bid cum Application Form	The form, whether physical or electronic, used by a Bidder, to make a Bid and which will be considered as a Bid for Allotment in terms of the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bid / Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which will be advertised in all editions of English national newspaper [●], all editions of Hindi National Newspaper [●] and Hyderabad edition of Telugu newspaper [●], (Telugu being the regional language of Hyderabad where our Registered Office is located), each with wide circulation, in case of any revision, the extended

Term(s)	Description
	Bid/ Issue Closing Date in consonance with the SEBI ICDR Regulations. Our Company, in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bid / Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which will be advertised in all editions of English national newspaper [●], all editions of Hindi National Newspaper [●] and Hyderabad edition of Telugu newspaper [●], (Telugu being the regional language of Hyderabad where our Registered Office is located), each with wide circulation, in case of any revision, the extended Bid/ Issue Closing Date in consonance with the SEBI ICDR Regulations. Our Company, in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bid / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date (inclusive of both days) during which prospective Bidders can submit their Bids, inclusive of any revision thereof. Provided however that the Bidding shall be kept open for a minimum of three (3) Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus, and the Bid-cum-Application Form unless stated or implied otherwise
Bidding	The process of making a Bid.
Bidding Centre	Centres at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Running Lead Manager / BRLM	Mark Corporate Advisors Private Limited
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band and any revisions thereof, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) / CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids by the Bidders with the BRLM, Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in .
Cut-Off Price	Issue Price, as finalized by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time

Term(s)	Description
Depository Participant / DP	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs, which shall collect the Bid cum Application Form from ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from, time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid-cum-Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-cum-Application Forms are available on the respective websites of the Stock Exchanges (at www.nseindia.com) as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries / Collecting Agent	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid-cum-Application Forms from the Bidders in the Issue.
Designated Market Maker	[●]
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated June 27, 2019 prepared and issued by our Company in accordance with the SEBI ICDR Regulations 2018, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI(s)	NRI(s) from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an invitation under the offer and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under the SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s)
Escrow Agreement	The Agreement dated [●] entered into amongst the Company, the BRLM, the Registrar to the Issue and the Banker to the Issue to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
First Bidder	Bidder whose name appears first in the Bid cum Application Form in case of a joint bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof
Floor Price	The lower end of the Price Band, and any revisions thereof, below which the Issue Price will not be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares, in this case being ₹ [●]
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI.
Issue	The Public Issue of upto 55,00,000 Equity Shares of face value of ₹10 each for

Term(s)	Description
	cash at a price of ₹[●] each, aggregating up to ₹[●] lakhs
Issue Agreement	The Memorandum of Understanding dated April 22, 2019 entered into between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Expenses	Expenses in connection with the Issue (including the listing fees).
Issue Price	The price as determined by our Company in consultation with the BRLM on the Pricing Date, at which the Equity Shares will be issued and Allotted / transferred in terms of this Draft Red Herring Prospectus.
Issue Proceeds	The proceeds of this Issue available to our Company
Listing Agreement	The listing agreement(s) to be entered into by our Company with the Stock Exchanges
Market Making Agreement	Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Maximum RII Allottees	Maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Issue less the Market Maker Reservation Portion, i.e. the Net Issue of 52,00,000 Equity Shares of ₹ 10 each at ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by the Company
Net Proceeds / Net Issue Proceeds	Proceeds of the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “Objects of the Issue” beginning on page no. 58 of this Draft Red Herring Prospectus.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs).
Non-Institutional Portion/Non-Institutional Category	The portion of the Issue being not less than [●]% of the Issue consisting of not less than [●] Equity Shares, available for allocation on a proportionate basis to Non- Institutional Bidders subject to valid bids received at or above the Issue Price.
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FIIs, FVCIs and FPIs
Non - Resident Indian	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
NSE EMERGE	SME Platform approved by SEBI as a SME Exchange of National Stock Exchange of India for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations, 2018.
Pricing Date	The date on which the Issue Price is finalized by our Company, in consultation with the BRLM.
Prospectus	The prospectus of our Company to be filed with the RoC for this issue after the Pricing Date, within the provisions of Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	A bank account opened in accordance with the Companies Act, 2013 to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Red Herring Prospectus / RHP	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be issued and the size of the Issue.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three Working Days before the Bid / Issue Opening Date and will become the</p>

Term(s)	Description
	Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account(s) opened by our Company, from which refunds of the whole or part of the Bid Amount to the Bidders shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Refund Bank(s)	Bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case being, [●]
Registrar Agreement	The agreement dated April 10, 2019 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Investors / RIIs	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who Bid for the Equity Shares of a value of not more than ₹ 2,00,000 in any of the Bidding options in the Issue.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s). 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 Bidders can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and which offer services in relation to ASBA, a list of which is available on website of SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time
Syndicate	BRLM and the Syndicate Members
Syndicate Agreement	The agreement dated [●] to be entered into amongst the BRLM, the members of the Syndicate, our Company and the Registrar to the Issue in relation to the collection of Bids in the Issue by the Syndicate
Syndicate Members	An Intermediary registered with the SEBI to act as a syndicate member and who are permitted to carry out activities as an underwriter, namely [●]
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company on or after the Pricing Date
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction

Term(s)	Description
Willful Defaulter	A company or a person categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Hyderabad are open for business; provided however, with reference to the time period between (a) announcement of Price Band and the Bid/Offer Closing Date, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Hyderabad are open for business; and (b) the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical and Industry Related Terms:

Term(s)	Description
ASA	Athena Smart Analytics
CAS	Call Accounting System
CCTV	Closed Circuit Television
DeiTY	Department of Electronics and Information Technology
EMS	Energy Management System
HMS	Hospitality Management System
HRIS	Human Resource Information System
IoT's	Internet of Things
LMS	Learning Management System
MIS	Management Information System
MMS	Material Management System
PoS	Point of Sale

Conventional and General Terms or Abbreviations:

Term(s)	Description
A/c	Account
Act	The Companies Act, 2013
AGM	Annual General Meeting
Articles	Articles of Association of the Company framed in pursuance of this Act
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
ASBA	Applications Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 2013
CSO	Central Statistical Organization
Depositories	NSDL and CDSL, Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant

Term(s)	Description
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, as amended from time to time and the regulations framed there under
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR)Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards
Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial/Management Personnel and as mentioned in the chapter titled "Our Management" beginning on page 101 of this Draft Red Herring Prospectus.
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational Corporation
N/A or NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer

Term(s)	Description
Net Worth	The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Ron	Return on Net Worth.
Rs./INR/₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations/Takeover Regulations/Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange(s)	NSE SME
Sq.	Square
Sq. Mtr.	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number

Term(s)	Description
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the foregoing:

- 1) In ‘*Main Provisions of the Articles of Association*’ beginning on page no 214 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.
- 2) In ‘*Our Business*’ on page no. 68 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.
- 3) In ‘*Risk Factors*’ on page no 18 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.
- 4) In ‘*Statement of Special Tax Benefits*’ on page no 65 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.
- 5) In ‘*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*’ on page no 159 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL DATA

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards (the “**Ind AS**”) notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI (ICDR) Regulations and the guidance notes issued by ICAI and included elsewhere in this Draft Red Herring Prospectus .

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounded off adjustments. All decimals have been rounded off to two decimal points. Therefore, in certain instances,

- (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and
- (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus may be rounded-off to such number of decimal points as provided in such respective sources.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Conditional and Results of Operations**” on pages **18, 70** and 159 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States; and
- “EUR” or “€” are to Euro, the official currency of Euro Member Countries.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000. All the numbers in the document have been presented in million or in whole numbers where the numbers have been too small to present in million.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements, whether made by us or a third party, 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 in India in which we have our business and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on 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. Important factors that would cause actual results to differ materially include, including, but not limited to:

- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner.
- Any imitation of our brand security solutions, or any reproduction of likenesses of our prints;
- The loss of certain key customers on whom we are dependent for our revenue;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to procure adequate amounts of raw material at competitive prices;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion on factors that could cause actual results to differ from expectations, see “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 18, 70 and 159, 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 gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect 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 beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the BRLM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations, our Company and the BRLM will ensure that the investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - SUMMARY OF OFFER DOCUMENT

PRIMARY BUSINESS OF THE COMPANY

Our Company is a rapidly growing Information Technology company that provides IT Infrastructure Management Services, IT Security Solutions, Smart Technology Solutions (IOT) and Artificial Intelligence, Digital Signage, Software consulting, development and IT-enabled services to diverse clientele. Our Company was established in the year 1980 by Technocrats with numerous years of experience in varied industries.

The executive team of our Company comes with rich domain experience covering various industrial verticals, has been engaged in several projects including ERP implementations, Custom Business Applications, Building Automation, Smart Street lighting, Portal Development, Product Development, Technology Consulting, Project Management and Post Implementation support.

SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

IT Infrastructure:

ACS offers a complete range of IT infrastructure solutions that deliver a cohesive, end to end optimization of Data Centers which are aligned with business trends and availability of latest technology and techniques. We provide end to end solutions in this space that leads to the transformation of the enterprise making it as a total IT driven. In order to provide all the solutions, we are partnering with leading technology leaders like IBM, Dell, HP, CISCO, Juniper, Microsoft, VMware, Citrix, Trend Micro etc.

Security & Surveillance:

Security and Surveillance Systems primarily involves physical security and safety systems, namely - Video Surveillance System, Access Control System, Fire Detection & Alarm System and Public Address System. Advancements in the field of IP based security systems and analytics is set to change the security and safety landscape. Now companies are looking for ways in which to derive business value from their security and safety systems and hence want to integrate these systems with their IT systems. These integrated systems are not only cost effective but are also proactive, flexible and provide greater control over these systems.

Software Development:

ACS offers Custom Software Applications Design and Development Services with Structured and Object Oriented Analysis, Design and Implementation. We have core skills on multiple platforms and databases. Our data analytics expertise enables us to offer Analytics custom solutions on platforms like Hadoop, R, Kubernetes and many other Container Architectures. We have software products developed in house viz. Intelligent Queue Management, Content Management, Helpdesk, CRM application and Athena IOT Platform.

Smart Technologies (IOT & AI):

ACS offers world class IoT and Automation products suitable for homes, offices, gated communities, campuses, townships and Smart Cities.

Digital Signage:

There are many powerful benefits to digital signage displays and digital signage player configurations; however, the time and resources it takes to understand and operate complex digital signage solutions is a barrier for many IT services within an organization.

NAME OF PROMOTERS

The Promoters of our Company are Mr. Ashok Kumar Buddharaju, Mr. Prabhakara Rao Alokam, Mrs. Anitha Alokam and Mrs. Ramadevi Buddharaju.

For detailed information on our Promoters and Promoters Group, please refer to Chapter titled “Our Promoters and Promoters’ Group” on page no. 113 of this Draft Red Herring Prospectus.

SIZE OF THE ISSUE

Our Company is proposing the issue of Fresh Equity Shares upto 55,00,000 Equity Shares of face value of ₹10 each to Public for cash at a price of ₹[●] per Equity Share including a Share Premium of ₹[●] per Equity Share (the “issue price”) aggregating to ₹[●] lakh (the “issue”),

of which:

3,00,000 Equity Shares of face value of ₹[●] each for cash at a price of ₹[●] per Equity Share including a Share Premium of ₹[●] per Equity Share aggregating to ₹[●] lakh will be reserved for subscription by Market Maker to the issue (the “Market Maker Reservation Portion”).

The issue less the Market Maker Reservation portion i.e. 52,00,000 Equity Shares of face value of ₹[●] each at a price of ₹[●] per Equity Share including a Share Premium of ₹[●] per Equity Share aggregating to ₹[●] lakh is herein after referred to as the “net issue”.

The Issue and the Net Issue will constitute 40.17% and 37.97%, respectively of the Post Issue Paid up Equity Share Capital of our company.

OBJECT OF THE ISSUE

The details of proceeds of the Issue are set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Gross Proceeds of Issue	[●]
Less: Issue Related Expenses	[●]
Net Issue Proceeds	[●]

Utilization of Net Proceeds

The Net proceeds are proposed to be used in the manner set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
To meet working capital requirement	1550.00
To Purchase fixed assets	306.81
General Corporate Purpose	[●]
Total	[●]

For detailed information on the “Objects of the Issue”, please refer to chapter titled “Objects of the Issue” on page no. 58 of this Draft Red Herring Prospectus.

SHAREHOLDING

Sr. No.	Name of the Shareholders	No. of equity shares (Pre-Issue)	As a % of Pre-issue Issued Capital	No. of equity shares (Post-Issue)	As a % of Post-issue Issued Capital
A.	Promoter	57,84,445	70.61%	57,84,445	42.24%
B.	Promoter Group	16,46,410	20.09%	16,46,410	12.02%
C.	Public	7,62,500	9.30%	7,62,500	5.57%
	Total	81,93,355	100.00%	81,93,355	59.83%

SUMMARY OF FINANCIAL INFORMATION (Standalone)

Particulars	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Share Capital	819.34	199.06	101.93	101.93
Net Worth	1,518.91	528.09	188.51	112.42
Total Revenue	4,249.44	4,314.30	3,189.81	2,999.25
Profit after tax	280.05	150.59	76.09	35.31
Earnings per share (in Rs.)	3.42	7.57	7.46	3.46

Particulars	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
NAV per share (In Rs.)	18.89	26.71	18.10	10.78
Total Borrowings (As per Restated Balance Sheet)	546.97	552.90	249.97	269.83

SUMMARY OF FINANCIAL INFORMATION (Consolidated)

Particulars	December 31, 2018
Share Capital	819.34
Net Worth	1517.91
Total Revenue	4,250.11
Profit after tax	279.05

Note: Consolidated Financials given only for the current Financial Years as there was no consolidation till 31.03.2018.

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

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

SUMMARY OF OUTSTANDING LITIGATIONS

Sr. No	Outstanding Litigations	No. of Matters	Financial implications to the extent quantifiable (in ₹)
1.	Filed Against Director		
a.	<i>Direct Tax</i>	3	3,782
2.	Filed Against Promoter		
a.	<i>Direct Tax</i>	2	4,43,910
	Total	5	4,47,692

For further details in relation to legal proceedings involving our Company, Promoters, Directors and Our Group Companies refer chapter titled “*Outstanding Litigation and Material Developments*” and “*Risk Factors*” on page 164 and 18 of this Draft Red Herring Prospectus.

RISK FACTORS

Please see “Risk Factors” beginning on page 18 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

Consolidated

(Rs. In Lakhs)

Name of the Party	Status	Transaction Value
Remuneration:		
Ashok Kumar Buddharaju	Director	13.50
Alokam Prabhakara Rao	Director	13.50
Unsecured Loans Given:		
IOTIQ Innovations Pvt Ltd	Subsidiary	2.75
Covidh Technologies Ltd	Associate	555.10
Unsecured Loans taken:		
Ashok Kumar Buddharaju	Director	53.34
Alokam Prabhakara Rao	Director	53.34
Investments:		
IOTIQ Innovations Pvt Ltd	Subsidiary	0.51

Standalone:

(Rs. In Lakhs)

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Directors Remuneration	27.00	18.00	Nil	Nil
Unsecured loans taken:				
Ashok Kumar Buddharaju (Director)	53.34	22.45	64.98	Nil
Alokam Prabhakara Rao (Director)	53.34	332.38	Nil	Nil
Unsecured loans given:				
IOTIQ Innovations Pvt Ltd	2.75	-	-	-
Covidh Technologies Ltd	555.10	555.10	-	-
Investments:				
IOTIQ Innovations Pvt Ltd	0.51	-	-	-

For details of the same refer the Annexure – IV under Chapter titled “Financial Statement as Restated” beginning on page 123 of this Draft Red Herring Prospectus.

DETAILS OF FINANCING ARRANGEMENTS

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

AVERAGE COST OF ACQUISITION OF SHARES

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

Name of Promoters	No. of equity share held	Average cost of acquisition (in Rs.)
Mr. Ashok Kumar Buddharaju	16,46,775	8.15
Mr. Prabhakara Rao Alokam	19,61,260	16.99
Mrs. Ramadevi Buddharaju	12,85,160	5.81
Mrs. Anitha Alokam	8,91,250	15.78

DETAILS OF PRE-OFFER PLACEMENT

Our Company has not proposed any Pre-IPO Placement in this Issue.

EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Except below Our Company has not issued any Equity Shares for consideration other than cash during last one year from the date of this Draft Red Herring Prospectus:

Sr. No.	Date of Allotment	No of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	No. of allottees
1.	14.02.2018	3,51,267	10.00	18.50	Conversion of Unsecured Loan	1

Sr. No.	Date of Allotment	No of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	No. of allottees
					in to Equity Share Capital	
2.	01.03.2018	6,20,000	10.00	20.00	Conversion of Unsecured Loan in to Equity Share Capital	2
3.	27.09.2018	9,60,000	10.00	40.00	Conversion of Unsecured Loan in to Equity Share Capital	3
4.	15.12.2018	44,25,852	10.00	NA	Bonus issue in the ratio of 3:2	10
5.	15.12.2018	1,16,935	10.00	40.00	Conversion of Unsecured Loan in to Equity Share Capital	2
6.	15.12.2018	7,00,000	10.00	40.00	Conversion of Creditors dues	1

SPLIT / CONSOLIDATION OF EQUITY SHARES

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of this Draft Red Herring Prospectus.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections titled ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ on pages 70 and 159 respectively of this Draft Red Herring Prospectus as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.

Materiality

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

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

Internal Risk Factors

1. ***Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity, details of which are given below. Sustained negative cash flow could impact our growth and business***

Our Company had reported certain negative cash flows from our operating activities, investing activities in the previous years as per the restated Standalone financial statements and the same are summarized as under:

(₹ in lakhs)

Particulars	31.12.2018	31.03.2018	31.03.2017	31.03.2018
Cash flow from Operating activities	-740.77	-674.50	116.32	-87.20
Cash flow from Investing activities	-345.57	-214.18	3.18	1.99
Cash flow from Financing activities	1,134.10	844.18	-58.23	43.26

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Since the company is in continuously expanding its operations by adding new verticals, the required cash flows are funded through internal accruals, share capital and bank borrowings. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

2. *Our Promoter and director are party to certain legal proceedings. Any adverse decision in such proceedings may adversely affect our business, financial condition and reputation.*

Our promoters namely Mr. Ashok Kumar Buddharaju, and Mr. Prabhakara Rao Alokam and our director namely Mr. Chalagalla Venkata Satyanarayana Murthy and Mr. Indraganty Sarma are in receipt of notice from income tax authorities. We can give no assurance that these legal proceedings will be decided in the favour of our promoter or the director, as the case may be. If any adverse order is passed against our promoter or the director, as the case may be, by the authority, the same may render them liable to penalties and may have a material adverse effect on their reputation and financials.

For further details regarding these legal proceedings, please refer to chapter titled '**Outstanding Litigations and Material Developments**' on page 164 of this Draft Red Herring Prospectus.

3. *Our Registered Office and Branch Offices are not owned by us, if we are required to vacate the same, due to any reason whatsoever, it may adversely affect our business operations.*

The registered office at 3rd Floor, Plot 797/A, Sai Krishna Building, Road-36, Jubilee Hills, Hyderabad and branch office of our Company at D.No. 39-11-17/1, Sector - VI, Murali Nagar, Visakhapatnam, is owned by Asma Estate & Investments Private Limited and Mr. T. Tarun Kumar respectively and the said premises have been taken by our Company on leasehold basis. In the event of expiry, non-renewal or early termination of the lease/ leave and license arrangement, we may have to vacate the said premises at a short notice. Further we will be required to return the said premises to the Licensor, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the Licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

4. *The length of our sales cycle may fluctuate significantly and depends on several external factors which may result in significant fluctuations in revenues being recognised on a quarterly basis.*

A customer's decision to obtain our services often involves a comprehensive implementation process across the customer's network(s) which includes customer education, pre-purchase evaluation by a number of employees in our customers' organisations and, often, a significant strategic or operational decision by our customers. Our sales efforts involve educating our customers about the use and benefits of our products and solutions, including any potential cost savings achievable by organisations that partner with us.

Customers typically undertake a significantly long evaluation process which also involves evaluation of our Competitors' services and can result in a lengthy sales cycle. Moreover, a purchase decision by a potential customer typically requires extended evaluation, testing and the approval of senior decision makers, including the boards of directors of our customers. We spend substantial time, effort and money on our sales efforts without any assurance that our efforts will produce any sales. Additionally, licensing and implementing our technology products and any related services may entail a significant commitment of resources by prospective customers, accompanied by the risks and delays frequently associated with significant technology implementation projects.

In weaker economic environments, it is not uncommon to see reduced spending on automation and smart technologies. It may take several months, or even several quarters, for marketing opportunities to materialise. For example, if a customer's decision to buy our product or service is delayed or if the implementation of these products takes longer than originally anticipated, the date on which we are able to recognise revenues from these sales will be delayed. Such delays and fluctuations could cause our revenues and results of operation to fluctuate significantly across time periods, and we may not be able to adjust our costs quickly enough to offset such lower revenues, potentially adversely impacting our business, operating results and financial condition

5. *If our smart technology does not gain market acceptance, our operating results may be negatively affected.*

To effectively meet customer demand, it is important that we continue to enhance our products and services. The markets for our products and services are rapidly evolving due to which the level of acceptance of products and services is not certain.

If the markets for our products and services fail to develop, develop more slowly than expected or experience increased competition, our business may suffer. As a result, we may be unable to:

- successfully market our existing products and services,
- develop and successfully launch new technology products and services and enhancements to existing products and services,
- complete customer implementations on a timely basis, or
- Complete new technology products and services currently under development.

If our products and services are not accepted by our customers or by associated businesses in our target verticals and markets, our business, operating results and financial condition will be materially adversely affected.

6. *Consolidation in the industry, particularly by large, well-capitalised companies, could place pressure on our operating margins which could, in turn, have a material adverse effect on our business.*

Acquisitions by large, well-capitalised technology companies have changed the marketplace for our products and services by replacing competitors which are comparable in size to us, with companies that have more resources at their disposal to compete with us in the marketplace. These companies may have considerable financial resources, channel influence, and broad geographic reach and thus, can engage in competition with our products and services on the basis of price, marketing, services or support. They may also have the ability to introduce products that compete with our maturing products and services. The threat posed by larger competitors and their ability to use their economies of scale to sell competing products and services at a lower cost may materially impact our sales and the profit margins that we earn on the products and services we provide in the marketplace.

Expected entry by big media houses in collaboration with Hardware OEMs is a threat to Digital Signage vertical. There is increase in chances for a major player to focus on our high yielding business verticals. Further, the existence of Big-Data players in the market and their collaboration with inexperienced players in IoT/Smart Tech space can lead to fragmentation of market space.

Any material reduction in our sales and profit margins may have a material adverse effect on our operations and financial condition, which may affect our strategic growth plans, and improved economies of scale or leave us at a material disadvantage to our larger competitors.

7. *We operate in a highly competitive and fragmented industry with low barriers to entry and may be unable to compete successfully against existing or new competitors, particularly in the unorganized segment.*

From time to time we may need to compete with smaller regional vendors that offer products and services with a limited range of capabilities or customised solutions for specific segment that purport to perform function similar to our solution. Such companies may enjoy stronger sales and service capabilities in their particular regions or segment. Smaller and/or newer companies often compete aggressively on price and may force us to reduce prices or face loss of users. Many lower end local competitors bid abnormally low prices to gain market entry.

8. *We do not have access to certain historical records and data including with respect to ROC filings.*

Our Company was incorporated on June 04, 1980 and we are not able to locate some of our corporate records which include majority of forms filed with the Registrar of Companies prior to 2006, for increase in authorized capital and for allotments since incorporation till 1989 are not available with the Company or with the ROC. Whilst we believe that material information required for Investors to make their investment decision in this Issue has been disclosed to the extent possible in this Draft Red Herring Prospectus, we are unable to make/ verify the veracity of certain disclosures required under the SEBI (ICDR) Regulations in this Draft Red Herring Prospectus.

9. *We had been granted license to operate as Registrar to an Issue and/or Share Transfer Agents and we have not applied for surrender of the license.*

In the past, our Company had applied for and granted license to operate as Registrar to an Issue and/or Share Transfer Agents in the year 1994. However, we had not applied for renewal of the said license post expiry of its initial term from 1994 to 1997 and we do not carry out the activities of Registrar to an Issue and/or Share Transfer Agents.

The registration certificate granted to our Company to act as Registrar to an Issue and/or Share Transfer Agents could not be traced and we cannot assure you whether our Company has made any application to the concerned authorities for surrender of the license or that all liabilities and fees in relation thereto have been duly paid. In the event of any adverse finding, our Company may be exposed to incur liabilities that have not been provided for and the same may have an adverse impact on our business and financials.

10. *We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them.*

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things such as entering into borrowing arrangements with other banks and other parties, undertake any further capex, change in shareholding pattern and management control, diversify into non-core areas, making investment in or giving loans to other parties, etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the loan and other banking facilities, please see '*Financial Indebtedness*' on page 163 of the Draft Red Herring Prospectus.

11. *We could become liable to clients, suffer adverse publicity and incur substantial costs as a result of defects in our services, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.*

Any failure or defect in our product or services could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our product or services would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our clients have in the quality of our product and services. Any negative publicity regarding our Company, brand, including those arising from a drop in quality of our vendors or any unforeseen event, could affect our reputation and our results from operations.

12. *We may be unable to obtain the requisite approvals, licenses, registrations and permits to develop and operate our businesses or may be unable to renew them in a timely manner, which may affect our operations adversely*

We are governed by various laws and regulations for our business and operations. We are required, and will Continue to be required, to obtain and hold relevant licenses, approvals and permits at the local, state and central government levels for doing our business. While we believe that we have obtained all necessary and material approvals, licenses, registrations and permits from the relevant authorities, they may contain

conditions, some of which could be onerous. However, our Company has not applied for professional tax registration for our branch office situated at Vishakhapatnam. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could adversely affect our related operations. Further, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or cancelled or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business and results of operations.

For further details, please see the section entitled “**Government and Other Approvals**” on page 170 of this Draft Red Herring Prospectus.

13. *Our Company has entered into certain related party transactions and may continue to do so in the future.*

Our Company has entered into certain related party transactions with our related parties. While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to ‘**Annexure IV - Related Party Transactions**’ under section titled ‘**Financial Information**’ on page 123 of this Draft Red Herring Prospectus.

14. *Our logo is not registered under the Trade Marks Act, 1999 and we have not made any application for seeking registration of our logo.*

Our corporate name and logo has not been registered and we have not made any application so far for the registration of our logo and brand name with the concerned authority. Consequently, the use of the same in the corporate and trading names by any third parties may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. Maintaining the reputation of our brand, corporate name, logo and the goodwill associated with this trademark is critical to our success. Substantial erosion in the value of our brand name could have a material adverse effect on our business, financial condition, results of operations and prospects.

15. *Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations.*

We maintain a variety of insurance policies to cover our assets against external risks, given the nature of our business including, burglary and fire insurance coverage, and for the benefit of our employees such as employee health and medical insurance, vehicle insurance and such other insurance policies as required by applicable law and which are subject to certain exclusions and limits on coverage.

As of December 31, 2018, our insurance coverage for our insured assets including stocks of hardware and networking, furniture and machinery amounted to ₹ 337.30 Lakhs. For further details, please refer to chapter titled ‘**Our Business**’ beginning on page 70 of the Draft Red Herring Prospectus.

We believe that the insurance coverage which we maintain is in line with the industry standards and would be reasonably adequate to cover the normal risks associated with our business operations. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses, including coverage for claims by third parties and litigation. To the extent that we suffer a loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. Further, our insurance coverage expires from time to time and we apply for the renewal of our insurance coverage in the normal course of our business. However, we cannot assure you that such renewals will be granted in a timely manner, at costs acceptable to us, or at all.

16. *Our Company has unsecured loans, which may be recalled at any time. Any recall of such loans may have an adverse effect on our business, prospects, financial condition and results of operations*

Our Company have availed unsecured loans, some of which may be recalled at any time at the option of the lender. If such unsecured loans are recalled at any time, our financial condition may be adversely affected. As on December 31, 2018 the total amount of unsecured loans outstanding by our Company from related parties and others was Rs. 211.95 lakhs on consolidation basis. For details of our unsecured loans, please see “Financial Indebtedness” on page 163

17. *Our Promoter have provided personal guarantees to certain loan facilities availed by us which if revoked may require alternative guarantees/securities to be provided and/or repayment of amounts due or termination of the facilities*

Our Promoters and directors namely Ashok Kumar Buddharaju, Alokam Prabhakara Rao and Anitha Alokam have provided personal guarantee in relation to working capital and term loan facilities availed by us from HDFC Bank Limited. In the event that any of this personal guarantee is revoked by our Promoters and directors, the lender for such facilities may require alternate guarantees/ securities to be provided and/or repayment of amounts outstanding under such facilities or may even terminate such facilities. We may not be successful in procuring alternative guarantees / securities satisfactory to the lender, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

18. *We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations*

As on December 31, 2018, our outstanding indebtedness was ₹ 546.97 Lakhs. We require high working capital to meet our requirements as many projects/orders are having large IT equipment components. We may further need to obtain financing, in addition to the requirement of funds disclosed in “Objects of the Issue” on page 58, in the normal course of business from time to time as our business grows. We may not be successful in obtaining additional funds in a timely manner and/or on favorable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. Moreover, lenders of our facilities may impose restrictive conditions that may limit our ability to incur future debt. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures or downsize our operations. Our inability to maintain sufficient cash flow, or procure adequate credit facilities and other sources of funds, in a timely manner at commercially acceptable terms, or at all, to meet the requirement of working capital, pay back debts or to meet future capital expenditures, could adversely affect our results of operations and growth plans.

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

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

20. *The Company's success depends in large part upon its management team and skilled personnel and its ability to attract and retain such persons*

Company's future performance may be affected by the discontinuation of service of its management team and skilled personnel. The Company may face a challenge to recruit and retain a sufficient number of suitably skilled personnel. Retention of personnel leaves companies with rising wage bills. There is also significant competition for managerial and other skilled personnel in this industry, and it may be difficult to attract and retain the personnel that the Company needs in the future. The loss of key personnel may have an adverse effect on the business of the Company, results of operations, financial condition and its ability to grow.

21. *Our Promoter and Promoter Group members will continue to retain majority shareholding in our Company after this Issue which will allow them to exercise significant influence over us*

Our Promoter and Promoter Group members are in control of our Company. Accordingly, our Promoter and Promoter Group members will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, 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 expenditure, etc. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make the completion of certain transactions more difficult or impossible without the support of these shareholders. We also cannot control the actions of our Promoter and Promoter Group members, including any non-performance, default by or bankruptcy. In order to establish or preserve relationships with our Promoter and Promoter Group members, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in such transactions. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of these factors could potentially materially and adversely affect our operations and profitability.

RISK FACTORS RELATED TO EQUITY SHARES

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

2. *Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares*

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

3. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. Our business is working capital intensive. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

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

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

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make 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 your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

EXTERNAL RISK FACTORS

1. *Our business is dependent on economic growth in India.*

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations. 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 and interest in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin

2. *The extent and reliability of India's infrastructure could adversely impact our results of operations and financial conditions. Any disruption in the supply of power, telecommunication or other services could disrupt our business process or subject us to additional costs.*

India's physical infrastructure is still developing. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. Disruption in basic infrastructure could negatively impact our business since we may not be able to provide timely and adequate operation and maintenance and other services to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power,

telecommunication or other services are disrupted. This may result in the loss of customer, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations.

3. *Significant differences exist between Indian GAAP/ Ind-AS and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition*

The financial data included in this Draft Red Herring Prospectus has been prepared in accordance with Indian GAAP/ Ind-AS. There are significant differences between Indian GAAP/ Ind-AS and IFRS. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP/ Ind-AS financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

5. *Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business*

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

6. *Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

7. *Any changes in the regulatory framework could adversely affect our operations and growth prospects*

Our Company is subject to various regulations and policies. For details see section titled '**Key Industry Regulations and Policies**' beginning on page 86 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies,

including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

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

9. *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.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirement and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is 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. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 211 of this Draft Red Herring Prospectus.

10. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. The Income-tax Act, 1961 levies taxes on long term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. The Income-tax Act, 1961 levies taxes on such long-term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

SECTION IV – INTRODUCTION THE ISSUE

Particulars	No of Equity Shares
Equity Shares Offered [#]	55,00,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating ₹[●] lakhs
<i>Fresh Issue consisting of:</i>	
Issue Reserved for Market Maker	3,00,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating to ₹[●] lakhs
Net Issue to Public	52,00,000 Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share to the Public
	<i>of which:</i>
	[●] Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share to the Retail Portion
	[●] Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share to the Non-Retail Portion
Equity Shares outstanding prior to the Issue	81,93,355 Equity Shares
Equity Shares outstanding after the Issue	Up to 13,693,355 Equity Shares
Objects of the Issue	Please refer chapter ' <i>Objects of the Issue</i> ' on page no 58 of this Draft Red Herring Prospectus

[#] Public issue of up to 55,00,000 Equity Shares of ₹10.00 each for cash at a price of ₹[●] per Equity Share of our Company aggregating to ₹[●] lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 -, as amended from time to time. For further details, please refer to section '*Terms of the Issue*' on page 185 of this Draft Red Herring Prospectus.

The Issue has been authorized by our Board pursuant to a resolution dated March 11, 2019 and by our Equity Shareholders pursuant to a resolution passed at the Extra Ordinary General Meeting held on March 25, 2019.

SUMMARY OF FINANCIAL INFORMATION

The following summary of financial statements have been prepared in accordance with Indian GAAP, the companies Act and the SEBI (ICDR) Regulations 2018 and restated as described in the Peer Review Auditor's Report in the chapter titled '*Financial Statements*' beginning on page no 123 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements for the period ended on December 31, 2018 and for the financial year ended March 31, 2018, 2017 and 2016 including the notes thereto and the chapter titled '*Management's Discussion and Analysis of Management Discussion and Analysis Report*' on page no 159 of this Draft Red Herring Prospectus.

The following summary of financial statements have been prepared in accordance with Indian GAAP, the companies Act and the SEBI (ICDR) Regulations 2018 and restated as described in the Peer Review Auditor's Report in the chapter titled '*Financial Statements*' beginning on page no 123 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our consolidated restated financial statements for the period ended on December 31, 2018 on our offer document chapter Financial Statements beginning on page no 123 of this Draft Red Herring Prospectus.

Annexure-I

Consolidated Statement of Assets and Liabilities, as Restated

(₹ In Lakhs)

Particulars	31/12/2018
(1) ASSETS	
Non-current assets	
Fixed Assets	
(a) Property, Plant and Equipment	173.22
(b) Other Intangible assets	359.81
A	533.03
(2) Current assets	
(a) Inventories	1,009.66
(b) Financial Assets	
(i) Trade receivables	1,781.90
(ii) Cash and cash equivalents	133.90
(iii) Bank balances other than (ii) above	-
(iii) Loans	822.42
B	3,747.88
Total Assets(A+B)	4,280.90
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share capital	819.34
(b) Other Equity	698.57
(c) Non-Controlling Interest	0.495
A	1,518.40
LIABILITIES	
Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	546.97
(c) Deferred tax liabilities (Net)	28.85
B	575.82
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,062.10
(ii) Trade payables	910.04
(b) Other current liabilities	135.24
(c) Provisions	79.30
(d) Current Tax Liabilities (Net)	-
C	2,186.68
Total Equity and Liabilities	4,280.90

Annexure - II

Restated Consolidated Statement of Profit and Loss

(₹ in lakhs)

Particulars	31/12/2018
Revenue From Operations	4,244.79
Other Income	5.32
Total Income (I+II)	4,250.11
EXPENSES	
Operating Expenses	3,519.96
Changes in inventories of finished goods, Stock-in -Trade and work-in progress	-517.83
Employee benefits expense	559.64
Finance costs	138.93
Depreciation and amortization expense	39.89
Other expenses	125.96
Total expenses (III)	3,866.55
Profit/(loss) before exceptional items and tax (I- III)	383.56
Exceptional Items	-
Profit/(loss) before tax (IV-V)	383.56
Tax expense:	
(1) Current tax	79.30
(2) MAT Credit	-
(3) Deferred tax	25.21
Profit (Loss) for the period from continuing operations (VI-VII)	279.05
Profit/(loss) from discontinued operations	-
Tax expense of discontinued operations	-
Profit/(loss) from Discontinued operations (after tax) (IX-X)	-
Profit/(loss) for the period (VIII+XI)	279.05
Other Comprehensive Income	-
A (i) Items that will not be reclassified to profit or loss	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-
B (i) Items that will be reclassified to profit or loss	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-
Total Comprehensive Income for the period (XII+XIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	279.05
Earnings per equity share (for continuing operation):	
(1) Basic	3.41
(2) Diluted	3.41

Annexure - III

Restated Consolidated Cash Flow Statement

(₹ in lakhs)

Particulars	31/12/2018
Cash Flow from Operating Activities	
Profit/(Loss) Before Tax, as restated	383.56
Adjustments for :	-
Depreciation and Amortisation Expense	39.89
Finance Costs	138.93
Interest Income	-4.58
Operating Profit/(Loss) before Working Capital Adjustments	557.81
Adjustments for :	
(Increase)/ Decrease in Inventories	-517.83
(Increase)/ Decrease in Trade receivables	-463.75
(Increase)/ Decrease in Short Term Loans and Advances	-171.41
Increase/ (Decrease) in Trade Payables	-18.69
Increase/ (Decrease) in Other Current Liabilities	-85.34
Increase/ (Decrease) in Short Term Provisions	-
Cash Generated from/(Used in) Operations	-699.21
Direct Taxes Paid	-41.30
Net Cash Flow from/(Used in) Operating Activities (A)	-740.50
Cash Flow from Investing Activities	
Purchase of Fixed Assets	-138.08
(Purchase)/Sale of Intangible Assets	-211.55
Interest Income	4.58
Net Cash Flow from/(Used in) Investing Activities (B)	-345.06
Cash Flow from Financing Activities	-
Increase in Share Capital	620.28
Increase in Securities Premium	90.50
Proceeds from/(Repayment of) Long Term Borrowings from Banks & Financial Institutions	242.21
Proceeds from/(Repayment of) Unsecured Loans	-248.15
Proceeds/(Repayments) from Short Term Borrowings	568.18
Interest Paid	-138.93
Net Cash Flow from/(Used in) Financing Activities (C)	1,134.10
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	48.54
Cash and Cash Equivalents at the Beginning of the Period/Year	84.88
Cash and Cash Equivalents at the End of the Period/Year*	133.90
*Cash and Cash Equivalents at the End of the Period/Year	-
Cash On Hand	1.61
Balances with bank in Current Accounts	18.75
Balances held as Margin Money against Bank Guarantees	113.54
	133.90

Annexure - I

Restated Standalone Statement of Assets and Liabilities

(₹ in Lakh)

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(1) ASSETS				
Non-current assets				
Fixed Assets				
(a) Property, Plant and Equipment	173.22	47.47	16.10	21.70
(b) Other Intangible assets	359.81	175.82	-	-
Investments Accounted for using the Equity Method	0.51			
A	533.54	223.29	16.10	21.70
(2) Current assets				
(a) Inventories	1,009.66	491.83	200.13	125.21
(b) Financial Assets				
(i) Trade receivables	1,781.22	1,318.15	546.82	492.67
(ii) Cash and cash equivalents	132.64	84.88	129.40	68.15
(iii) Bank balances other than (ii) above	-	-	-	-
(iii) Loans	824.18	559.80	0.89	1.68
(vi) Others (to be specified)		91.21	158.54	135.43
B	3,747.69	2,545.87	1,035.77	823.13
Total Assets(A+B)	4,281.23	2,769.16	1,051.87	844.84
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	819.34	199.06	101.93	101.93
(b) Other Equity	699.58	329.03	86.58	10.49
A	1,518.91	528.09	188.51	112.42
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	546.97	552.90	249.97	269.83
(c) Deferred tax liabilities (Net)	28.85	3.64	-4.00	-2.51
B	575.82	556.54	245.97	267.32
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,062.10	493.92	41.42	27.77
(ii) Trade payables	909.85	928.73	426.07	320.46
(b) Other current liabilities	135.24	220.58	128.05	97.15
(c) provisions	79.30	41.31	21.85	19.72
(d) Current Tax Liabilities (Net)	-	-	-	-
C	2,186.50	1,684.53	617.39	465.10
Total Equity and Liabilities	4,281.23	2,769.16	1,051.87	844.84

Annexure – II

Restated Standalone Statement of Profit and Loss

(₹ in Lakh)

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Revenue From Operations	4,244.12	4,222.87	3,183.03	2,994.83
Other Income	5.32	91.44	6.78	4.42
Total Income (I+II)	4,249.44	4,314.30	3,189.81	2,999.25
EXPENSES				
Operating Expenses	3,519.28	3,577.88	2,471.51	2,438.16
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	-517.82	-291.70	-74.91	-70.96
Employee benefits expense	558.74	588.77	516.75	412.79
Finance costs	138.93	100.24	52.02	36.23
Depreciation and amortization expense	39.89	13.12	8.00	11.43
Other expenses	125.85	130.98	120.00	119.09
Total expenses (III)	3,864.87	4,119.30	3,093.36	2,946.73
Profit/(loss) before exceptional items and tax (I-III)	384.56	195.01	96.44	52.52
Exceptional Items	-	-	-	-
Profit/(loss) before tax (IV-V)	384.56	195.01	96.44	52.52
Tax expense:				
(1) Current tax	79.30	41.30	21.84	19.72
(2) MAT Credit	-	4.52	-	-
(3) Deferred tax	25.21	7.64	(1.49)	(2.51)
Profit (Loss) for the period from continuing operations (VI-VII)	280.05	150.59	76.09	35.31
Profit/(loss) from discontinued operations	-	-	-	-
Tax expense of discontinued operations	-	-	-	-
Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-
Profit/(loss) for the period (VIII+XI)	280.05	150.59	76.09	35.31
Other Comprehensive Income	-	-	-	-
A (i) Items that will not be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Comprehensive Income for the period (XII+XIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	280.05	150.59	76.09	35.31
Earnings per equity share (for continuing operation):				
(1) Basic	3.42	7.57	7.46	3.46
(2) Diluted	3.42	7.57	7.46	3.46

Annexure - III

Restated Standalone Cash Flow Statement

(₹ in Lakh)

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Cash Flow from Operating Activities				
Profit/(Loss) Before Tax, as restated	384.56	195.01	96.44	52.52
Adjustments for :				
Depreciation and Amortisation Expense	39.89	13.12	8.00	11.43
Finance Costs	138.93	100.24	52.02	36.23
Interest Income	-4.58	-6.13	-5.56	-4.42
Operating Profit/(Loss) before Working Capital Adjustments	558.81	302.23	150.91	95.76
Adjustments for :				
(Increase)/ Decrease in Inventories	-517.83	-291.70	-74.91	-70.96
(Increase)/ Decrease in Trade receivables	-463.07	-771.33	-54.15	-252.59
(Increase)/ Decrease in Short Term Loans and Advances	-173.17	-487.07	-22.33	-51.67
Increase/ (Decrease) in Trade Payables	-18.88	502.66	105.61	181.41
Increase/ (Decrease) in Other Current Liabilities	-85.34	92.53	30.90	32.80
Increase/ (Decrease) in Short Term Provisions	-	-	-	-
Cash Generated from/(Used in) Operations	-699.48	-652.68	136.03	-65.25
Direct Taxes Paid	-41.30	-21.84	-19.72	-21.91
Net Cash Flow from/(Used in) Operating Activities (A)	-740.77	-674.52	116.31	-87.16
Cash Flow from Investing Activities				
Purchase of Fixed Assets	-138.08	-44.30	-2.38	-2.43
Investments (Made)/Disposed	-0.51	-	-	-
(Purchase)/Sale of Intangible Assets	-211.55	-176.01	-	-
Interest Income	4.58	6.13	5.56	4.42
Net Cash Flow from/(Used in) Investing Activities (B)	-345.57	-214.18	3.17	1.99
Cash Flow from Financing Activities				
Increase in Share Capital	620.28	97.13	-	-
Increase in Share premium	90.50	91.86	-	-
Proceeds from/(Repayment of) Long Term Borrowings from Banks & Financial Institutions	242.21	13.09	-75.35	244.38
Proceeds from/(Repayment of) Unsecured Loans	-248.15	289.84	55.48	-146.47
Proceeds/(Repayments) from Short Term Borrowings	568.18	452.50	13.66	-18.42
Interest Paid	-138.93	-100.24	-52.02	-36.23
Net Cash Flow from/(Used in) Financing Activities (C)	1,134.10	844.18	-58.23	43.26
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	47.76	-44.51	61.25	-41.91
Cash and Cash Equivalents at the Beginning of the Period/Year	84.88	129.40	68.15	110.06
Cash and Cash Equivalents at the End of the Period/Year*	132.64	84.89	129.40	68.15
*Cash and Cash Equivalents at the End of the Period/Year				
Cash On Hand	1.12	0.91	1.62	0.40
Balances with bank in Current Accounts	17.98	14.75	54.69	9.91
Balances held as Margin Money against Bank Guarantees	113.54	69.22	73.09	57.84
TOTAL	132.64	84.88	129.40	68.15

GENERAL INFORMATION

Our Company was incorporated as ‘Applied Computer Sciences Organization Private Limited’ on June 04, 1980 with the Registrar of Companies, Hyderabad as a Private Limited company under the provisions of the Companies Act, 1956. Pursuant to a special resolution passed by our shareholders dated September 16, 1994, the name of our Company was changed to “ACS Technologies Private Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies - Hyderabad on October 06, 1994. Subsequently, our Company was converted into a Public Limited Company ‘ACS Technologies Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies on September 20, 1995. The Corporate Identification Number of our Company is U72200TG1980PLC002703.

For further details of our Company, please refer “General Information” and “History and Certain Other Corporate Matter” on page no 35 and 94, respectively, of this Draft Red Herring Prospectus.

Registered Office of the Company

Address	:	3 rd Floor, Sai Krishna Building, Plot 797/A, Road 36, Jubilee Hills, Hyderabad, Telangana - 500 033.
Tel No.	:	+91 40 2970 3666
E-mail	:	info@acstechnologies.co.in
Website	:	www.acstechnologies.co.in

Registrar of Companies

Name	:	RoC - Hyderabad
Address	:	2 nd Floor, Corporate Bhawan, GSI Post, Tattiannaram, Bandlaguda, Nagole, Hyderabad, Telangana - 500068
Tel No.	:	040 2980 5427
Website	:	www.mca.gov.in

Board of Directors

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

Name	Designation	DIN	Address
Mr. Ashok Kumar Buddharaju	Whole Time Director& CEO	03389822	B-401, Aspire Apartment, Durgamcheru Road, Madhapur, Hyderabad, Telangana-500081
Mr. Prabhakara Rao Alokam	Whole Time Director& CFO	02263908	Flat 201, Armaan Sukruthi Towers, Plot 56, Sarojini Naidu Nagar, Kakatiya Hills, Madhapur, Hyderabad, Telangana-500081
Mrs. Anitha Alokam	Whole Time Director	07309591	Flat 201, Armaan Sukruthi Towers, Plot 56, Sarojini Naidu Nagar, Kakatiya Hills, Madhapur, Hyderabad, Telangana-500081
Mr. Chalagalla Venkata Satyanarayana Murthy	Independent Director	01830388	8-3-677/30, Srikrishna Devaraya Nagar, Yellareddyguda RBI Quarters, Srinagar Colony, Hyderabad, Telangana - 500073
Mr. Indraganty Venkateswara Sarma	Independent Director	02144740	A 702 Mantri Astra Apts, Hennur Road, Chelkere Hunnur, Bangalore, North Kalyananagar, Bangalore - 560043
Mr. Srinivasan Neti	Independent Director	02677073	8-3-678/Sai Ram Manor/Gomad Block / Flat304, Pragathi Nagar, Yosufguda Hyderabad, Telangana - 500045

For further details of Management of our Company, please refer to section titled “Our Management” beginning on page no 101 of this Draft Red Herring Prospectus.

Chief Financial Officer

Name : Mr. Prabhakara Rao Alokam
Address : Flat 201, Armaan Sukruthi Towers, Plot 56, Sarojini Naidu Nagar, Kakatiya Hills, Madhapur, Hyderabad, Telangana-500081
Tel No. : +91 40 2970 3666
E-Mail : prabhakar.alokam@acstechnologies.co.in

Company Secretary & Compliance Officer

Name : Ms. Hema Kumari
Address : 797/A, 3rd Floor, Sai Krishna Building, Road 36, Jubilee Hills, Hyderabad, Telangana 500033
Tel No. : +91 40 2970 3666
E-Mail : hema.gupta@acstechnologies.co.in

Investors may contact the Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager to the Issue in case of any Pre-Issue or Post-Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

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

Book Running Lead Manager to the Issue

Name : Mark Corporate Advisors Private Limited
Address : 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057.
Tel No. : +91 22 2612 3207/08
Contact Person : Mr. Manish Gaur
E-Mail ID : smeipo@markcorporatedvisors.com
SEBI Reg. No. : INM000012128
Investor Grievance E-Mail ID : investor grievance@markcorporatedadvisors.com
Website : www.markcorporatedadvisors.com

Legal Advisor to the Issue

Name : Alliance Law
Address : 801, 8th Floor, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai- 400 021.
Tel No. : +91 22-2204 0822
E-Mail ID : info@alliancelaw.in

Registrar & Share Transfer Agent

Name : M/s Bigshare Services Pvt. Ltd
SEBI Reg. No. : INR000001385
Address : C 101, 1st Floor, 247 Park, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makhwana Road, Marol, Andheri (E), Mumbai-400059
Contact Person : Mr. Babu Rapheal
Tel No. : +91 22 62638200
E-Mail ID : ipo@bigshareonline.com
Website : www.bigshareonline.com

Designated Stock Exchange

Name : National Stock Exchange of India Limited “NSE Emerge”
Address : Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051

Statutory Auditor & Peer Review Auditor

Name : M/s. M. M. Reddy & Co
Firm Reg. No. : 010371S
Peer review certificate no : 011591
Address : G-8, Amrutha Ville Apartments, Rajbhavan Road, Somajiguda, Hyderabad-500082
Contact Person : Mr. M. Madhusudhana Reddy
Tel No. : 040-40272617, 09848271555
E-Mail ID : mmreddyandco@gmail.com, audit@cammreddy.com

Bankers to the Company

Name of the Bank : HDFC Bank Limited
Address : 1/10/60/3 Begumpet, Hyderabad - 500016
Contact Name : S Subba Rao
Contact No. : + 91 9394814165
E-Mail ID : Subbarao.satyasri@hdfcbank.com

Banker to the Issue

[•]

Syndicate Members

[•]

Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned link.

Registered Brokers

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at www.nseindia.com, respectively, 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, are provided on the websites of Stock Exchange at <http://www.nseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, 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 name and Contact details, is provided on the websites of websites of the Stock Exchange i.e. www.nseemerge.com

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustees

This being an issue of Equity shares, the appointment of Debenture Trustees is not mandatory.

IPO Grading

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

Appraisal and Monitoring Agency

Pursuant to the regulations SEBI (ICDR) Regulations, 2018 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 10,000 Lakhs. Since the Issue size is only of ₹ [●] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Details of the Appraising Authority

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

Inter-Se Allocation of Responsibilities

Since, Mark Corporate Advisors Private Limited is the sole Book Running Lead Manager to this offer, all the issue related Activities will be managed by them.

Expert Opinion

Except the report of Statutory Auditor of our Company on statement of tax benefits included in the Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and subject to certain conditions specified therein.

The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. in Lakhs)	% of the Total Issue Size Underwritten
Mark Corporate Advisors Private Limited 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 Tel No.: +91 22 2612 3207/08 E-Mail ID: smeipo@markcorporateadvisors.com	[●]	[●]	[●]
[●]	[●]	[●]	[●]
Total	[●]	[●]	100%

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

Changes in Auditors during the Last Three Financial Years

Name of Auditor	Date of Change	Reason for change
ARR & CO Address: H.No: 6-3-852/2/3,4 th Floor, Flat No. 401, viswa Central, Above Syndicate bank Ameerpet - 500016, Hyderabad Mobile Number :+91 9959914324 Email Id : ca.rajeshrajuri@gmail.com; Membership No : 231086 FRN: 015245S	02.02.2018	Resignation Due to Pre-Occupation
M M Reddy & Co. Address: G-8,Amruthaville Apts, Right Wing, Rajbhavan Road, Somajiguda, Hyderabad-500082 Mobile No: +91 9848271555 Email Id: mmreddyandco@gmail.com Membership No: 213077 FRN: 010371S	24.03.2018	Appointment due to casual Vacancy. Thereafter, Appointment / Re-appointment in AGM dated 29.09.2018 for a period Four Financial Years starting from 01.04.2018 to 31.03.2022

Filing of The Draft Red Herring Prospectus/Red Herring Prospectus / Prospectus

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

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Pursuant to Section 32 of the Companies Act, 2013, the Red Herring Prospectus and Prospectus along with the material contracts and documents will be filed with the RoC situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattianaram, Bandlaguda, Nagole, Hyderabad, Telangana – 500068

Book Building Process

The book building, in context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the BRLM, and advertised In All Editions Of English National Newspaper [●], All Editions Of Hindi National Newspaper [●] And Hyderabad Edition Of Telugu Newspaper [●], (Telugu Being The Regional Language Of Telangana Where Our Registered Office Is Located), Each With Wide Circulation, At Least Two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of upload on its website. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) The BRLM;
- (3) The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
- (4) The Registrar to the Issue;
- (5) The Escrow Collection Banks/ Bankers to the Issue/Sponsor Bank;
- (6) The SCSBs; and
- (7) The Registered Brokers.

The SEBI ICDR Regulations permit the Issue of securities to the public through the Book Building Process; where in not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not less than 50% of the Net Issue shall be available for allocation to Retail Individual Bidders and not more than 50% of the Net Issue shall be available for allocation to Non-institutional bidders. There are no equity shares reserved for allocation to QIB category. However, QIBs can apply in the Non – Institutional Category.

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “Issue Procedure” beginning on page 193 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 193 of this Draft Red Herring Prospectus.

The Book Building Process under the SEBI Regulations is subject to change from time to time and Bidders are advised to make their own judgment about an investment through the Book Building Process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, please refer to chapter titled “Issue Procedure” beginning on page 193 of this DRHP
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application-Form;
- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Draft Red Herring Prospectus and in the Bid-cum-Application Form;
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for bidders residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the bidders by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your Demographic Details, given in the Bid-cum-Application Form with the details recorded with your Depository Participant
- Ensure the correctness of your PAN, beneficiary account number, DP ID and Client ID given in the Bid-cum-Application Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder’s name and bank account number, among others;
- Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres. Ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)
- ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Brokers to ensure that the Bid cum Application Form is not rejected.

For further details please refer to chapter titled “Issue Procedure” beginning on page 193 of this Draft Red Herring Prospectus

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

Illustration of Book Building Process and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20.00 to Rs.24.00 per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22/- in the above example. The issuer in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below Rs.22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories

BID / ISSUE PROGRAMME

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

Event	Indicative Date
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Unblocking of funds from ASBA Accounts	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchange. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non-Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period.

Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data

Details of the Market Making Arrangement

Our Company has entered into Market Making Agreement dated [●], with the Book Running Lead Manager and Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

Name	:	[●]
Address	:	[●]
Tel No.	:	[●]
Fax	:	[●]
Email	:	[●]
Contact Person	:	[●]
SEBI Reg. No.	:	[●]

[●], registered with NSE will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) years from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 % of Issue Size (including the [●] Equity Shares to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

- 8) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non- controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of SEBI (ICDR) Regulations, 2018. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 11) NSE Emerge will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. "NSE EMERGE" can impose any other margins as deemed necessary from time-to-time.
- 12) NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/trading membership.
- 13) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time
- 14) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

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

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

CAPITAL STRUCTURE

The Share Capital of our Company as of the date of this Draft Red Herring Prospectus before and after the issue is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at	
		Face Value	Issue Price
A.	AUTHORISED SHARE CAPITAL		
	1,50,00,000 Equity Shares of face value of ₹10 each	1500.00	-
B.	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
	81,93,355 fully paid up Equity Shares of face value of ₹10 each	819.33	-
C.	PRESENT ISSUE IN TERMS OF DRAFT RED HERRING PROSPECTUS*		
	55,00,000 Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share	550.00	[●]
	Which comprises of:		
	3,00,000 Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share reserved as Market Maker portion	30.00	[●]
	Net Issue to Public of 52,00,000 Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share to the Public	520.00	[●]
	Of which:		
	Retail Portion: [●] Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share will be available for allocation to Investors up to ₹ 2.00 Lakhs	[●]	[●]
	Non- Retail Portion: [●] Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share will be available for allocation to Investors above ₹ 2.00 Lakhs	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	13,693,355 Equity Shares of face value of ₹10 each	1369.33	-
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		245.08
	After the Issue		[●]

*The Issue has been authorized by our Board pursuant to a resolution dated March 11, 2019 and by our Equity Shareholders pursuant to a resolution passed at the Extra Ordinary General Meeting held on March 25, 2019.

Classes of Shares

The Company has only one class of Share Capital i.e. Equity Shares of face value of ₹10 each only. All Equity Shares issued are fully paid-up as on date of this Draft Red Herring Prospectus.

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

History of change in Authorized Equity Share Capital of Our Company:

Sr. No.	Particulars of Change		Date of Shareholders Meeting	AGM/EGM
	From	To		
1)	Rs. 30,00,000/- consisting of 30,000 Equity Shares of Rs.100 each)		On Incorporation	N.A.
2)	Rs. 30,00,000/- consisting of 30,000 Equity Shares of Rs.100 each	Rs. 30,00,000/- consisting of 3,00,000 Equity Shares of Rs.10 each	*	*
3)	Rs. 30,00,000/- consisting of 3,00,000 Equity Shares of Rs.10 each	Rs. 50,00,000/- consisting of 5,00,000 Equity Shares of Rs.10 each	#	#

Sr. No.	Particulars of Change		Date of Shareholders Meeting	AGM/EGM
	From	To		
4)	Rs. 50,00,000/- consisting of 5,00,000 Equity Shares of Rs.10 each	Rs. 1,00,00,000/- consisting of 10,00,000 Equity Shares of Rs.10 each	#	#
5)	Rs. 1,00,00,000/- consisting of 10,00,000 Equity Shares of Rs.10 each	Rs. 1,10,00,000/- consisting of 11,00,000 Equity Shares of Rs.10 each	26.05.2006	EGM
6)	Rs. 1,10,00,000/- consisting of 11,00,000 Equity Shares of Rs.10 each	Rs. 2,00,00,000/- consisting of 20,00,000 Equity Shares of Rs.10 each	02.01.2018	EGM
7)	Rs. 2,00,00,000/- consisting of 20,00,000 Equity Shares of Rs.10	Rs. 12,00,00,000/- consisting of 1,20,00,000 Equity Shares of Rs.10 each	18.09.2018	EGM
8)	Rs. 12,00,00,000/- consisting of 1,20,00,000 Equity Shares of Rs.10 each	Rs. 15,00,00,000/- consisting of 1,50,00,000 Equity Shares of Rs.10 each	01.03.2019	EGM

*** Rs. 30,00,000/- consisting of 30,000 Equity Shares of Rs.100 each sub divided into Rs. 30,00,000 consisting of 3,00,000 Equity Shares of Rs.10 each.**

the records pertaining to the same are not available with our Company or with the Registrar of Companies.

NOTES TO CAPITAL STRUCTURE:

History of Equity Share Capital of our Company:

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
Incorporation	2	100	100.00	Cash	Subscribers to Memorandum	2	200
03.01.1981*	20	10	10.00	Cash	Splitting of Shares from Rs. 100 Share to Rs. 10 per share	20	200
05.05.1989	6,40,990	10	10.00	Cash	Further Issue	6,41,010	64,10,100
15.02.2003	3,53,291	10	10.00	Cash	Further Issue	9,94,301	99,43,010
13.07.2006	25,000	10	10.00	Cash	Further Issue	10,19,301	10,19,3010
14.02.2018	3,51,267	10	18.50	Other than Cash	Conversion of Unsecured Loan into Equity Share Capital	13,70,568	13,705,680
01.03.2018	6,20,000	10	20.00	Other than Cash	Conversion of Unsecured Loan into Equity Share Capital	19,90,568	19,905,680
27.09.2018	9,60,000	10	40.00	Other than Cash	Conversion of Unsecured Loan into Equity Share Capital	29,50,568	29,505,680
15.12.2018	44,25,852	10	NA	Other than Cash	Bonus issue in the ratio of 3:2	73,76,420	73,764,200
15.12.2018	1,16,935	10	40.00	Other than Cash	Conversion of Unsecured Loan into Equity Share Capital	74,93,355	74,933,550
15.12.2018	7,00,000	10	40.00	Other than Cash	Conversion of Trade Payables	81,93,355	81,933,550

*** The details between incorporation and May 1989, have not been provided to as the records pertaining to the same are neither available with our Company or with the Registrar of Companies.**

(i.) *Initial subscribers to the Memorandum of Association of our Company:*

Sr. No.	Name of the Person	No. of Shares Allotted
1)	K. Ravindra	1
2)	Buddhiraju Bhujanga Veerakishore	1
Total		2

(ii.) Further allotment of 6,40,990 Equity Shares of face value of ₹ 10/- each fully paid at par on May 05, 1989 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Koka Ravindra	16,490
2)	Kishore Buddhiraju BV	46,490
3)	Ashok Agarwal	40,000
4)	Suryaprakash Rao G	68,500
5)	Usha Rao G	31,100
6)	Deepa Agarwal	66,500
7)	Poornima Rao	3,000
8)	Mohan CVP	30,000
9)	Sridevi C	2,37,00
10)	Vidyadhara B	60,000
11)	Venkat Rao	3,000
12)	CVSN Murthy	70,500
13)	Padma C	30,000
14)	Syed Amanullah	2,200
15)	Vedantha CH	200
16)	Arjuman Fathima	23,080
17)	Murthy SVS	3,500
18)	Sweta Koka	5,000
19)	Alka Rao	2,500
20)	Raghavendra Rao	2,000
21)	Anish Koka	20,000
22)	Bhagavat Prasad	2,500
23)	Ratnamba V	500
24)	Aditi Rao	1,500
25)	Srinivas G	1,000
26)	Suryanarayana CH	300
27)	Venkanna V	500
28)	Venkat Rao T	2,500
29)	Vijayanarayan T	9,750
30)	Pentaiah V	3,000
31)	Satyanarayana V	4,100
32)	Rashmi Koka	4,5000
33)	Padmanabha R Rao	2,500
34)	Anjani K Ravindra	20,000
35)	Mallaiah V	80
Total		6,40,990

(iii.) Further allotment of 3,53,291 Equity Shares of face value of ₹ 10/- each fully paid at par on February 15, 2003 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Kishore B.V Buddiraju	63,668
2)	Mr. Koka Ravindra	74,400
3)	Mr. B.Vidyadhara	30,000
4)	Mrs. Deepa Agarwal	89,273
5)	Mr. CVSN Murthy	71,700
6)	Mr. G. Anirudh Rao	24,000

Sr. No.	Name of the Person	No. of Shares Allotted
7)	Mr. V.Venkanna	250
Total		3,53,291

(iv.) Further allotment of 25,000 Equity Shares of face value of ₹ 10/- each fully paid at par on July 13, 2006 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Amarnath Rao	25,000
Total		25,000

(v.) Further allotment of 3,51,267 Equity Shares of face value of ₹ 10/- each upon conversion of Unsecured Loan into Equity Shares of face value of ₹ 10/- each fully paid at premium of ₹8.50/- per equity share on February 14, 2018 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Ashok Kumar Buddharaju	3,51,267
Total		3,51,267

(vi.) Further allotment of 6,20,000 Equity Shares of face value of ₹ 10/- each upon conversion of Unsecured Loan into Equity Shares of face value of ₹ 10/- each fully paid at premium of ₹10/- per equity share on March 01, 2018 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Ashok Kumar Buddharaju	65,000
2)	Mr. Prabhakara Rao Alokam	5,55,000
Total		6,20,000

(vii.) Further allotment of 9,60,000 Equity Shares of face value of ₹ 10/- each upon conversion of Unsecured Loan into Equity Shares of face value of ₹ 10/- each fully paid at premium of ₹ 30/- per equity share on September 27, 2018 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Ashok Kumar Buddharaju	1,62,000
2)	Mr. Prabhakara Rao Alokam	4,48,000
3)	Mrs. Anitha Alokam	3,50,000
Total		9,60,000

(viii.) Bonus Issue of 44,25,852 Equity shares of face value of Rs. 10/- each in the ratio of 3:2, on December 15, 2018 as per the details given below

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Ashok Kumar Buddharaju	9,84,285
2)	Mr. Prabhakara Rao Alokam	11,10,375
3)	Mrs. Anitha Alokam	5,34,750
4)	Mrs. Ramadevi Buddharaju	7,71,096
5)	Mrs. Snigdha Buddharaju	3,64,845
6)	Mr. Mahesh Kumar Buddharaju	2,48,001
7)	Mr. Alokam Sadasiva Rao	75,000
8)	Master. Alokam Deepak (Minor)	1,87,500
9)	Master, Alokam Gowtham (Minor)	1,12,500
10)	Mrs. Kommineni Siva Kumari	37,500
Total		44,25,852

(ix.) Further allotment of 1,16,935 Equity Shares of face value of ₹ 10/- each upon conversion of Unsecured Loan into Equity Shares of face value of ₹ 10/- each fully paid at premium of ₹ 30/- per equity share on December 15, 2018 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Mr. Ashok Kumar Buddharaju	6,300
2)	Mr. Prabhakara Rao Alokam	1,10,635
Total		1,16,935

- (x.) Further allotment of 7,00,000 Equity Shares of face value of ₹ 10/- each upon outstanding amount due to creditors at premium of ₹ 30/- per equity share on December 15, 2018 as per the details given below:

Sr. No.	Name of the Person	No. of Shares Allotted
1)	Coleta Software Solutions Private Limited	7,00,000
Total		7,00,000

Except as mentioned below, our Company has not issued any Equity Shares for consideration other than Cash:

Sr. No.	Date of Allotment	No of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	No. of allottees
1)	14.02.2018	3,51,267	10.00	18.50	Conversion of Unsecured Loan in to Equity Share Capital	1
2)	01.03.2018	6,20,000	10.00	20.00	Conversion of Unsecured Loan in to Equity Share Capital	2
3)	27.09.2018	9,60,000	10.00	40.00	Conversion of Unsecured Loan in to Equity Share Capital	3
4)	15.12.2018	44,25,852	10.00	NA	Bonus issue in the ratio of 3:2	10
5)	15.12.2018	1,16,935	10.00	40.00	Conversion of Unsecured Loan in to Equity Share Capital	2
6)	15.12.2018	7,00,000	10.00	40.00	Conversion of Trade Payables	1

- 1) We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 and/or Sections 230-233 of the Companies Act, 2013.
- 2) We have not issued any equity shares in last one year at price below the Issue Price immediately from the date of filing of this Draft Red Herring Prospectus except Issue of Shares on Bonus.
- 3) **Capital built-up of our Promoters:**

Mr. Ashok Kumar Buddharaju							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
14.02.2011	Cash	Transfer From Mr. Kishore Buddhiraju BV	2,38,757	10.00	2.10	2.91%	1.74%
07.11.2014	Cash	Transfer to Mr. Pentaiah V	(3,000)	10.00	10.00	-0.04%	-
14.02.2018	Other than Cash	conversion of Unsecured Loan into Equity Shares	3,51,267	10.00	18.50	4.29%	2.57%
01.03.2018	Other than Cash	conversion of Unsecured Loan into	65,000	10.00	20.00	0.79%	0.47%

Mr. Ashok Kumar Buddharaju							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
		Equity Shares					
16.04.2018	-	Transfer to Mr. Mahesh Kumar B. as a Gift	(1,57,834)	10.00	10.00	-1.93%	-
27.09.2018	Other than Cash	conversion of Unsecured Loan into Equity Shares	1,62,000	10.00	40.00	1.98%	1.18%
15.12.2018	Other than Cash	Bonus issue in the ratio of 3:2	9,84,285	10.00	NA	12.01%	7.19%
15.12.2018	Other than Cash	conversion of Unsecured Loan into Equity Shares	6,300	10.00	40.00	0.08%	0.05%
Total			16,46,775			20.10%	12.03%

Mr. Prabhakara Rao Alokam							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
21.04.2016	Cash	Transfer From Mr. Venkat Rao	2,500	10.00	10.00	0.03%	0.02%
21.04.2016	Cash	Transfer From Mr. Vijaya Narayana	9,750	10.00	10.00	0.12%	0.07%
01.03.2018	Other than Cash	Conversion of Unsecured Loan into Equity Shares	5,55,000	10.00	20.00	6.77%	4.05%
16.04.2018	-	Transfer to Mr. Alokam Sadashiv Rao as a Gift	(50,000)	10.00	NA	-0.61%	-
16.04.2018	-	Transfer to Master. Alokam Deepak as a Gift	(1,25,000)	10.00	NA	-1.53%	-
16.04.2018	-	Transfer to Master Alokam Gautam as a Gift	(75,000)	10.00	NA	-0.92%	-
16.04.2018	Cash	Transfer to	(25,000)	10.00	10.00	-0.31%	-

Mr. Prabhakara Rao Alokam							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
		Mrs. Siva Kumari K.					
27.09.2018	Other than Cash	conversion of Unsecured Loan into Equity Shares	4,48,000	10.00	40.00	5.47%	3.27%
15.12.2018	Other than Cash	Bonus issue in the ratio of 3:2	11,10,375	10.00	NA	13.55%	8.11%
15.12.2018	Other than Cash	conversion of Unsecured Loan into Equity Shares	1,10,635	10.00	40.00	1.35%	0.81%
Total			19,61,260			23.94%	14.32%

Mrs. Anitha Alokam							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
21.04.2016	Cash	Transfer From Mrs. Poornima Rao	3,000	10.00	10.00	0.04%	0.02%
21.04.2016	Cash	Transfer From Mr. Murthy SVS	3,500	10.00	10.00	0.04%	0.03%
27.09.2018	Other than Cash	conversion of Unsecured Loan into Equity Shares	3,50,000	10.00	40.00	4.27%	2.56%
15.12.2018	Other than Cash	Bonus issue in the ratio of 3:2	5,34,750	10.00	NA	6.53%	3.91%
Total			8,91,250			10.88%	6.51%

Mrs. Ramadevi Buddharaju							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
07.11.2014	Cash	Transfer From Mr. Dinkara V	1,04,781	10.00	10.00	1.28%	0.77%
07.11.2014	Cash	Transfer From Mr. Radha Krishna	1,46,188	10.00	10.00	1.78%	1.07%
07.11.2014	Cash	Transfer From	1,04,781	10.00	10.00	1.28%	0.77%

Mrs. Ramadevi Buddharaju							
Date of Allotment/ Transfer	Consideration	Nature of the issue	No. of equity shares	Face Value	Issue/ acquisition Price	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
		Mr. Satyanarayana MV					
07.11.2014	Cash	Transfer From Mr. SVSS Ramaraju	3,90,814	10.00	10.00	4.77%	2.85%
16.04.2018	Gift	Transfer to Ms. Snigdha B.	(2,32,500)	10.00	NA	-2.84%	-
15.12.2018	Other than Cash	Bonus issue in the ratio of 3:2	7,71,096	10.00	NA	9.41%	5.63%
Total			12,85,160			15.69%	9.39%

4) Details of Promoter's Contribution locked in for three years:

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

Our Promoter(s) Mr. Ashok Kumar Buddharaju, Mr. Prabhakara Rao Alokam, Mrs. Anitha Alokam and Mrs. Ramadevi Buddharaju have granted their consent to include such number of Equity Shares held by them as may constitute 20% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring prospectus until the completion of the lock-in period specified above. The details of such equity shares are as under:

Mr. Ashok Kumar Buddharaju						
Date of allotment	Face Value	Nature of the issue	No. of equity shares	Issue Price	% of Pre- Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
15.12.2018	10.00	Bonus Issue	9,84,285	NA	12.01%	7.19%
Total			9,84,285	NA	12.01%	7.19%
Mr. Prabhakara Rao Alokam						
Date of allotment	Face Value	Nature of the issue	No. of equity shares	Issue Price	% of Pre- Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
15.12.2018	10.00	Bonus Issue	11,10,375	NA	13.55%	8.11%
Total			11,10,375	NA	13.55%	8.11%
Mrs. Anitha Alokam						
Date of allotment	Face Value	Nature of the issue	No. of equity shares	Issue Price	% of Pre- Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
15.12.2018	10.00	Bonus Issue	267375	NA	3.26%	1.95%
Total			267375	NA	3.26%	1.95%
Mrs. Ramadevi Buddharaju						
Date of allotment	Face Value	Nature of the issue	No. of equity shares	Issue Price	% of Pre- Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
15.12.2018	10.00	Bonus Issue	385548	NA	4.70%	2.81
Total			385548	NA	4.70%	2.81
Grand Total			2747583	-	33.52%	20.06

We further confirm that the aforesaid minimum Promoter's Contribution of 20.06% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer. However, company has allotted bonus shares.
- The Equity Shares held by the Promoters and offered for minimum Promoter's Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firm into Private limited company during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.

The Promoter's Contribution may be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoter's Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue and pledge of specified securities is one of the terms of the sanction of loan.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

5) Details of share capital locked in for one year:

Pursuant to Regulation 238(b) of the SEBI (ICDR) Regulations 2018, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.

6) Other requirements in respect of lock-in:

Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.

Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

7) Shareholding pattern of our company:

A. The table below represents the current Shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

Category (I)	Category of Shareholder (II)	No. of Shareholders. (III)	No of fully paid up equity shares held. (IV)	No of partly paid up equity shares held. (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI=VII +X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)
								No. of voting Rights	Total as % of (A+B+C)			No of shares held (a)	As % of total number of shares held (b)	No of shares held (a)	As % of total number of shares held (b)	
A.	Promoter	4	57,84,445	0	0	57,84,445	70.60%	57,84,445	70.60%	0	0	0	0	0	0	[●]
B.	Promoter Group	5	16,46,410	0	0	16,46,410	20.09%	16,46,410	20.09%	0	0	0	0	0	0	[●]
C.	Public	2	7,62,500	0	0	7,62,500	9.31%	7,62,500	9.31%	0	0	0	0	0	0	
D.	Non-Promoter Non-Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D 1	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D 2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	11	81,93,355			81,93,355	100.00%	81,93,355	100.00%							

Notes:

- The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company.

B. Shareholding Pattern of Promoters and Promoter Group:

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of equity shares	As a % of Issued Share Capital	Number	As a %	As a % of grand total (a)+(b)+(c) of Sub-clause (i)(a)
(A)	Promoters:							
1)	Mr. Ashok Kumar Buddharaju	16,46,775	20.10%	16,46,775	12.03%	-	-	-
2)	Mr. Prabhakara Rao Alokam	19,61,260	23.94%	19,61,260	14.32%	-	-	-
3)	Mrs. Anitha Alokam	8,91,250	10.88%	8,91,250	6.51%			
4)	Mrs. Ramadevi Buddharaju	12,85,160	15.69%	12,85,160	9.39%			
Total (A)		57,84,445	70.60%	57,84,445	42.24%		-	-
(B)	Promoter Group:					-	-	-
1)	Mr. Mahesh Kumar B.	4,13,335	5.04%	4,13,335	3.02%	-	-	-
2)	Mr. Alokam Sadashiva Rao	1,25,000	1.53%	1,25,000	0.91%	-	-	-
3)	Master Alokam Deepak	3,12,500	3.81%	3,12,500	2.28%	-	-	-
4)	Master Alokam Gawthan	1,87,500	2.29%	1,87,500	1.37%	-	-	-
5)	Ms. Snigdha B.	6,08,075	7.42%	6,08,075	4.44%	-	-	-
Total (B)		16,46,410	20.09%	16,46,410	12.02%		-	-
Grand Total (A+B)		74,30,855	90.69%	74,30,855	54.27%			

C. Shareholding Pattern of the persons belonging to the category “Public”:

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of equity shares	As a % of Issued Share Capital	Number	As a %	As a % of grand total (a)+(b)+(c) of Sub-clause (i)(a)
1)	Kommineni Siva Kumari	62,500	0.76%	62,500	0.46%	-	-	-
2)	Coleta Software Solutions Pvt Ltd	7,00,000	8.54%	7,00,000	5.11%	-	-	-
Total		7,62,500	9.31%	7,62,500	5.57%	-	-	-

D. Except as mentioned below, there was no shares purchased/ sold by the Promoters/ Promoter Group, Directors and their immediate relatives during last six months.

Date of Transfer	Name of the Transferor	Name of the Transferee	No. of Shares	Face Value	Transfer/ Issue Price	Nature of Allotment
NIL						

E. Financing Arrangements:

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

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

Sr. No.	Name of the Promoters	No of Shares held	Average cost of Acquisition (in ₹)
1)	Mr. Ashok Kumar Buddharaju	16,46,775	8.15
2)	Mr. Prabhakara Rao Alokam	19,61,260	16.99
3)	Mrs. Anitha Alokam	8,91,250	15.78
4)	Mrs. Ramadevi Buddharaju	12,85,160	5.81

- 9) Except Mr. Ashok Kumar Buddharaju, Whole Time Director, Mr. Prabhakara Rao Alokam Rao, Whole Time Director and Mrs. Anitha Alokam, Whole Time Director of the company who holds 16,46,775 Equity Shares, 19,61,260 Equity Shares and 8,91,250 Equity Shares Respectively of our Company, none of our Directors or Key Managerial Personnel hold equity shares in our Company.

10) List of Equity Shares Holders hold More than 1% of Equity Shares

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

Sr. No.	Name of Shareholder	No. of Shares	% age of Pre-Issue capital
1)	Mr. Prabhakara Rao Alokam	19,61,260	23.94%
2)	Mr. Ashok Kumar Buddharaju	16,46,775	20.10%
3)	Mrs. Ramadevi Buddharaju	12,85,160	15.69%
4)	Mrs. Anitha Alokam	8,91,250	10.88%
5)	Coleta Software Solutions Pvt Ltd	7,00,000	8.54%
6)	Mrs. Snigdha Buddharaju	6,08,075	7.42%
7)	Mr. Mahesh Kumar Buddharaju	4,13,335	5.04%
8)	Master. Alokam Deepak (Minor)	3,12,500	3.81%
9)	Master. Alokam Gowtham (Minor)	1,87,500	2.29%
10)	Mr. Alokam Sadasiva Rao	1,25,000	1.53%
TOTAL		81,30,855	99.24%

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

Sr. No.	Name of Shareholder	No. of Shares	% age of Pre-Issue capital
1)	Mr. Prabhakara Rao Alokam	19,61,260	23.94%
2)	Mr. Ashok Kumar Buddharaju	16,46,775	20.10%
3)	Mrs. Ramadevi Buddharaju	12,85,160	15.69%
4)	Mrs. Anitha Alokam	8,91,250	10.88%
5)	Coleta Software Solutions Pvt Ltd	7,00,000	8.54%
6)	Mrs. Snigdha Buddharaju	6,08,075	7.42%
7)	Mr. Mahesh Kumar Buddharaju	4,13,335	5.04%
8)	Master. Alokam Deepak (Minor)	3,12,500	3.81%
9)	Master. Alokam Gowtham (Minor)	1,87,500	2.29%
10)	Mr. Alokam Sadasiva Rao	1,25,000	1.53%
TOTAL		81,30,855	99.24%

The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one years prior to date of this Draft Red Herring Prospectus are:

Sr. No.	Name of Shareholder	No. of Shares	% age of Pre-Issue capital
1)	Mrs. Ramadevi Buddharaju	514,064	25.82%
2)	Mr. Ashok Kumar Buddharaju	494,190	24.83%
3)	Mr. Alokam Prabhakara Rao	292,250	14.68%
4)	Mrs. Snigdha Buddharaju	243,230	12.22%
5)	Mr. Mahesh Kumar Buddharaju	165,334	8.31%
6)	Mr. Alokam Deepak (Minor)	125,000	6.28%

Sr. No.	Name of Shareholder	No. of Shares	% age of Pre-Issue capital
7)	Mr. Alokam Gowtham (Minor)	75,000	3.77%
8)	Mr. Alokam Sadasiva Rao	50,000	2.51%
TOTAL		19,59,068	98.42%

The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to date of this Draft Red Herring Prospectus are:

Sr. No.	Name of shareholder	No. of Shares	% age of Pre-issue capital
1)	Mrs. RamaDevi Buddharaju	7,46,564	73.24%
2)	Mr. Ashok Kumar Buddharaju	2,35,757	23.13%
TOTAL		9,82,321	96.37%

Note: The above mentioned Equity Shares are at Face Value of ₹10/-.

- 11) There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Book Running Lead Manager for purchase of Equity Shares offered through this Draft Red Herring Prospectus.
- 12) The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
- 13) As on the date of this Draft Red Herring Prospectus none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
- 14) We have not raised any bridge loans against the proceeds of the Issue.
- 15) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" in chapter titled "Issue Structure" beginning on page no 191 of this Draft Red Herring Prospectus.
- 16) The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
- 17) Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus except Bonus Shares.
- 18) In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, as amended from time to time.
- 19) Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the designated stock exchange.
- 20) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
- 21) The Issue is being made through Book Built Issue.
- 22) As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
- 23) On the date of filing of this Draft Red Herring Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

- 24) Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
- 25) Book Running Lead Manager to the Issue viz. Mark Corporate Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
- 26) Our Company has not revalued its assets since incorporation.
- 27) Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
- 28) There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
- 29) Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
- 30) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
- 31) Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
- 32) Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulation, 2014.
- 33) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 34) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 35) Our Company has Eleven (11) Shareholders as on the date of filing of this Draft Red Herring Prospectus.

SECTION V-PARTICULARS OF THE ISSUE OBJECTS OF THE ISSUE

The Objects of the issue are to finance our expansion plan and achieve the benefits of listing on the SME Platform of NSE (“NSE EMERGE”). We believe that listing will enhance corporate image and brand name of our company.

The Objects of the issue are as stated below:

1. Meeting Working Capital Requirement.
2. Capex for Digital Signage and Setting up of PCB manufacturing unit in Telangana for Smart Technologies business vertical.
3. General Corporate Purpose.

The main Objects Clause of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The details of the proceeds of the Issue are summarized in the table below:

Particulars	Amount (Rs. in lakh)
Gross Proceeds of Issue	[•]
Less: Issue Related Expenses	[•]
Net Issue Proceeds	[•]

Requirements of Funds:

The Funds required are proposed to be used in accordance with the details provided in the following table:

Sr. No	Particulars	Amount (Rs. in lakh)
1.	Meeting working capital requirement	1550.00
2.	Capex for Digital Signage & Setting up of PCB manufacturing unit in Telangana for Smart Technologies business vertical	306.09
3.	General Corporate Purpose	[•]
Total		[•]

The fund requirement and deployment of funds is based on internal management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of products and interest/ exchange rate fluctuations which may not be within the control of our management.

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

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Red Herring Prospectus.

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

Details of Use of Net Issue Proceeds:

1. Meeting the Working Capital requirement

We will need additional working capital for the growth of our business. We have estimated our additional working capital requirements for FY-2019-20 which will be funded through the internal accrual and proposed public issue. The working capital will be primarily used for expanding our business operations.

Our Company proposes to meet the incremental requirement of Rs.3564.22 lakh from the Net Proceeds of the Issue *to the extent of* Rs.1550.00 lakh, Bank borrowings and balance from internal accrual to the extent of Rs.2014.22.

Details of Estimation of Working Capital requirement are as follows:

Our business is working capital intensive. Details of Estimation of Working Capital requirement are as follows:
(Rs. in lakh)

Sr. No.	Particulars	2017-18 (Audited)	2018-19 (Provisional)	2019-20 (Estimated)
I	Current Assets			
	Trade Receivables	1,318.15	1,552.22	1,883.30
	Cash & Cash Equivalents	84.88	132.64	100.00
	Inventories	491.83	859.66	1,109.61
	Short Term Loans and Advances	651.01	727.82	1,927.82
	Total(A)	2,545.87	3,272.34	5,020.73
II	Current Liabilities			
	Sundry Creditors	928.73	723.78	438.97
	Other Current Liabilities & Provisions	261.87	204.11	93.72
	Working Capital Loan	493.92	976.76	923.82
	Total (B)	1684.52	1,904.66	1,456.51
III	Total Working Capital (A-B)	861.35	1367.68	3564.22
	Working Capital Gap		506.33	2196.54
	Internal Accrual		506.33	646.54
	IPO Proceeds		-	1550.00

Justification:

Sr. No.	Particulars
Stocks/WIP	Stocks and work in progress are expected to grow along with growth in our business. The days of Inventory was 48 days and 76 days for FY 2018 and FY 2019, respectively. Our Company assumed days of inventory to be around 80 days for FY 2019-20.
Trade receivables	Debtors Holding days were 112 for the FY 2018 and 112 days for FY 2019, respectively. We expect Debtors Holding days to be at 109 days for FY 2019-20 based on increased revenue from operation and better credit terms being given to our clients which will ensure faster receipts of payments from the clients.
Trade payables	The days of outstanding for trade payables was 104 days and 74 days for the FY 2018 and FY 2019, respectively. We have projected creditors payments days to be at lower level of 38 days for FY 2019-20 as the company is entering into new business verticals which will have less credit period for procurement of materials.

2. Capex for Digital Signage Setting up of PCB manufacturing unit in Telangana for Smart Technologies business vertical:

ACS Technologies Limited has ventured into business of Smart Technologies (IoT) by introducing niche Home/Office automation, Smart Water Meters, Smart Street Lighting, Industrial Automation and Smart Campus. Currently the Company is procuring assembled finished goods from China and Local vendors. The margins on the products can be increased if the manufacturing unit and assembly unit is established in Telangana which will have tight control on the cost of the materials. Hence, the management has decided to procure raw material and establish a unit locally for reduction of material costs. Below table depicts the requirement of funds for setting up of assembly/manufacturing unit and means of finance:

Sr. No.	Particulars	Name of Suppliers	No. of Units	Total Estimated Cost	Date of Quotation	Validity
1	PCB Manufacturing Unit-SMT	Shunp Electronics Co. Ltd	1	82,02,528.57	10/06/19	60 Days
2	Injection Moulding Machines- 180T	Shunp Electronics Co. Ltd.	1	22,62,871.43	10/06/19	60 Days
3	Automatic Soldering Machine	Shunp Electronics Co. Ltd	2	11,66,935.71	10/06/19	60 Days
4	Packaging Machinery	Shunp Electronics Co. , Ltd	1	3,88,978.57	10/06/19	60 Days
5	Professional 55" LED FHD 55LHDFBGRHD	AEC TELECOM (THAILAND) CO. LTD.	300	1,36,92,857	30/05/19	45 Days
6	Media Players	AEC TELECOM (THAILAND) CO. LTD.	300	15,21,429	30/05/19	45 Days
7	DESKTOP - HP PRO (M-3330)	Lezend Technologies Private Limited	4	1,08,268.00	13/05/19	60 Days
8	PRINTER - HP LAJER JET (M1213)	Lezend Technologies Private Limited	7	1,17,292.00	13/05/19	60 Days
9	DESKTOP - HP PRO (M-3330)	Lezend Technologies Private Limited	13	2,21,871.00	13/05/19	60 Days
10	DESKTOP - ASSEMBLED	Lezend Technologies Private Limited	37	4,84,367.00	13/05/19	60 Days
11	PRINTER - CANON 4550 D LASER 4 IN ONE	Lezend Technologies Private Limited	12	76,656.00	13/05/19	60 Days
12	MONITOR - BENQ LED 24" (V-2410 ECO)	Lezend Technologies Private Limited	19	2,10,197.00	13/05/19	60 Days
13	LAPTOP - HP (PAVILION 14-N232TU)	Lezend Technologies Private Limited	18	1,94,706.00	13/05/19	60 Days
14	KEYBOARD - LOGITECH CARDLESS (EX100)	Lezend Technologies Private Limited	34	47,430.00	13/05/19	60 Days
15	DESKTOP - HP PRO (M-3330)	Lezend Technologies Private Limited	18	3,10,626.00	13/05/19	60 Days
16	SERVER - IBM X3100 M4	Lezend Technologies Private Limited	4	2,03,804.00	13/05/19	60 Days
17	SERVER - DELL POWER EDGE (T420A)	Lezend Technologies Private Limited	3	4,14,552.00	13/05/19	60 Days
18	SERVER - HP PROLIANT (ML110 G7)	Lezend Technologies Private Limited	6	4,24,572.00	13/05/19	60 Days
19	Furniture and Fixture	Local Vendors	1	5,59,000.00	-	-
Total				3,06,08,941		

3. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Net Issue proceeds aggregating Rs. [•] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting

exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

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

4. Public Issue Expenses:

The total expenses of the Issue are estimated to be approximately Rs. [•] lakh. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

(Rs. In Lakhs)			
Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including underwriting and selling commissions, brokerages, Legal Advisors, Registrars, etc and other out of pocket expenses.	[•]	[•]	[•]
Other Expenses including listing fee	[•]	[•]	[•]
Total Estimated Issue Expenses	[•]	[•]	[•]

Proposed Schedule of Implementation:

The entire amount of Working Capital and General Corporate Purposes will be utilized during FY 2019-2020

Our Company plans to deploy the funds towards the above stated Objects during FY 2020, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year. The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. in lakh)		
Sr. No	Particulars	Amount
1.	Meeting working capital requirement	1,550.00
2.	Capex for Digital Signage & Setting up of PCB manufacturing unit in Telangana for Smart Technologies business vertical	306.09
3.	General Corporate Purpose	[•]
Total		[•]

Deployment of Funds in the Project

Our Company has incurred the following expenditure on the project till April 30, 2019. The same has been certified by our Statutory Auditors, M/s. M M Reddy & Co, Chartered Accountants *vide* their certificate dated April 30, 2019:-

(Rs. in lakh)	
Particulars	Amount
Issue Expenses	18.77
Total	18.77

The above funds were deployed from the Company's internal accruals. The amount deployed so far toward Issue Expenses shall be recouped out of the Gross Issue Proceeds.

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. 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 the equity shares of any other listed company.

Appraisal Report

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

Business or strategy Bridge Loan

As of the date of this Draft Red Herring Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

As the size of the Issue does not exceed ₹ 10,000 lakhs in terms of Regulation 262 of the SEBI (ICDR Regulations, 2018), our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges. Pursuant to Regulation 32(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the issue proceeds for the objects stated in this Draft Red Herring Prospectus.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process and on the basis of quantitative and Qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the chapters titled “Our Business”, “Risk Factors” and “Financial Statements” on page nos. 70, 18 and 123, respectively, of this Draft Red Herring Prospectus to have an informed view before making an Investment decision.

Qualitative Factors:

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

- One of the leading players in the IT Infrastructure Management segment.
- Emerging Player in security solutions.
- Diversified range of products appealing to a wide range of industries.
- In house development and adoption of latest technology.
- Product design and manufacturing capabilities.
- Experienced management with strong industry expertise.

For further details, see “Our Business - Competitive Strengths” and “Risk Factors” beginning on pages 70 and 18 respectively.

Quantitative Factors:

The information presented in this section for the period ended December 31, 2018 and Fiscal ended March 31, 2018, March 31, 2017, and March 31, 2016 is derived from our Standalone Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements” on page no. 123, of this Draft Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Share(EPS):As per our Restated Financial Statements:

Year Ended	Basic & Diluted (EPS)	Weight
March 31, 2016	3.46	1
March 31, 2017	7.46	2
March 31, 2018	7.57	3
Weighted Average	6.84	
For period ended December 31, 2018 <i>(Not Annualized)</i>	3.42	

Note:

1. The Figures disclosed above are based on the restated financial statements of the Company.
2. The earnings per share has been calculated by dividing the net profit as restated, attributable to equity shareholders by restated weighted average number of Equity Shares outstanding during the year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is ₹10/-
3. The above ratios should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements.

1) Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of face value of ₹10 each:

Particulars	P/E Ratio
Based on basic EPS, as restated for FY 2017-18	[●]

Based on diluted EPS, as restated for FY 2017-18	[●]
Industry P/E*	
Highest	[●]
Lowest	[●]
Industry Average	[●]

2) **Return on Net worth (RoNW) for the preceding three years as per restated financial statements():**

Year Ended	RoNW (%)	Weight
March 31, 2016	31.40%	1
March 31, 2017	40.36%	2
March 31, 2018	28.51%	3
Weighted Average	32.94%	6

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

RoNW = Net profit/loss after tax, as restated divided by Net worth excluding preference share capital and revaluation reserve

3) **Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018**

Particulars	Issue Price
To maintain Pre-Issue basic EPS	[●] %
To maintain Pre-Issue diluted EPS	[●] %

4) **Net Asset Value (NAV):**

Particulars	Amount (₹)
Net Asset Value per Equity Share as of March 31, 2018	18.53
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

Note: NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares.

- 5) **Comparison with other listed companies/Industry peers:** Currently there is no listed company in India Operating in this particular business segment with similar size, scale and business model and hence a comparison with us is not possible.
- 6) The Floor Price of ₹ [●] and the Cap Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. Investor should read the above mentioned information along with the section titled “Risk Factors” on page no. 18 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled “Financial Statements” on page no. 123 of this Draft Red Herring Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled “Risk Factors” on page no. 18 of this Draft Red Herring Prospectus and an investor may lose all or part of his investment.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
ACS Technologies Limited,
3rd Floor, Plot 797/A, Sai Krishna Building,
Road 36, Jubilee Hills, Hyderabad

Sir,

Subject: Statement of possible tax benefits ('the Statement') available to ACS Technologies Limited ('the Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('the Regulation')

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

The benefits discussed in the enclosed Annexure cover special and general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Issue") by the Company. We do not express any opinion or provide any assurance as to whether:

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

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

For M M REDDY & CO.
Chartered Accountants
Firm Reg. No. 010371S

Sd/-
CA M. Madhusudhana Reddy
Managing Partner
Membership No. 213077

Place: 27.06.2019
Date: Hyderabad

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

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

A. SPECIAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS :-

NIL

B. OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS :-

The following tax benefits shall be available to the company and its Shareholders under Direct tax law Under the Income-Tax Act, 1961 ("the Act"):

I. Benefits available to the Company :

- **Tax Rate:**

Tax rate applicable to the company would be 25% as the turnover of the company does not exceed the prescribed limit of Rs. 250 crores in the future years.

- **Depreciation:**

As per the provisions of Section 32 of the Act, the company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

In accordance with and subject to the conditions specified in Section 32(1) (iia) of the Act, the company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

- **Income from Long Term Capital Gain:**

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company. For this purpose, "Equity Oriented Fund" means a fund – (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

- **Credit for Minimum Alternate Taxes ("MAT"):**

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits available to the shareholders :

- **Dividends exempt under section 10(34) of the Act:**

As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax upto Rs. 10 lakhs, beyond that shareholder has to pay tax at rate of 10%. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

- **Capital Gains**

Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, longterm capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Note:

1. You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.
2. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
3. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION VI-ABOUT THE COMPANY OUR INDUSTRY

OVERVIEW OF IoT INDUSTRY

Lately, the Internet of Things (IoT) has been receiving its fair share of attention as the world turns more and more digital. There is no doubt in the value it has unlocked so far and its potential to change life as we know it today.

2018 is being heralded by several notable organizations as a year of good tidings and synchronised global economic growth. Reports are bullish about India's participation in the global economy's recovery and are pegging India's economic growth at 7-8%.

At the heart of this growth story lies the inherent change policymakers, enterprises and citizens are driving to create and steer a truly digital economy. Perhaps Neuromancer author William Gibson is spot-on with his insight, "The future is already here. It's just not evenly distributed." Change is under way, but in different ways dependent on geography, culture, economics and politics.

Most reports indicate that the full potential and value of the Internet of Things will be achieved with a juxtaposition of both the developed and emerging economies. India already has more than 100 smart city initiatives planned - cities to be equipped with state-of-the-art communication capabilities and ubiquitous connectivity to enable seamless communication not just between humans but also machine-to-machine (M2M), and thereby machines to humans.

The Internet of Things presents an opportunity to transform society and establish a new ecosystem built to serve not merely humans, but humanity. In this new world, people will receive uniquely personalised services on demand, while societies will benefit from optimised resource use and minimised negative environmental impact. The Organisation for Economic Co-operation and Development (OECD) compares IoT's significance and potential ubiquity to the advent of household electricity and sees it extending beyond technology and commerce to redefine our social, cultural and professional relationships.

We dub the new behaviors and culture manifesting itself as a by-product of this IoT enabled society the new Civic Operating System.

The following report sheds light on the nature and speed at which these developments will be realized in India, both in collective understanding and individual expectations of life. To co-create a sustainable and lasting impact, the higher the awareness of the technologies at hand, the greater the chance that end consumers will be able to enjoy them and custom-shape their everyday lives in significant ways.

The findings provide a unique insight into how Indians perceive this technology, how it can shape their daily lives, and their preferred priorities. In compiling this report, we accompany our primary data with reputable third-party figures to validate and shed more light on our insights.

A key concept in our thinking is the idea of Civic OS, which we define as the ability of humans and machines to coexist and to cohabit and communicate seamlessly - all part of the definitive roadmap of the fourth industrial revolution unfurling at the moment.

The Civic OS represents a fundamental change in norms and mores in society: a change in the way we conduct our businesses and our relationships, as well as our everyday lives in times to come.

As IoT connectivity broadens and markets evolve, how we live, how we use technology and interact with each other, and our expectations from these innovations, are all being redefined. This new civic society will be fueled by data and optimized by machines collaborating with each other for the benefit of citizens.

This change will be underpinned by a robust technical construct through which public and commercial services can be delivered directly to individuals by and through a range of connected devices, from wearables and domestic appliances to vehicles and smart meters. The Internet of Things will not only change the way we work but also transform the way we live, thereby giving rise to a new way of life.

THE CIVIC OPERATING SYSTEM

A New Humanism

There are currently 7.6 billion people on Earth: 3.7 billion are connected to the Internet; almost 50% of that connected population lives in Asia, 24% of whom reside in India⁸. Investment in digitization and urbanisation and friendly regulatory policies hold the key to ensuring that India continues to advance on its path of socioeconomic progress. The market potential of all things IoT in India alone is predicted to be \$9 billion by 2020. India is one of the key countries poised for large-scale implementation of IoT projects - not only to be able to set new standards but also as a key geography to anticipate the emergence of a new humanism embracing people and devices.

In India, advancing ubiquitous connectivity is changing the dimensions of every social group. This emergence of a new societal operating system reflects both today's technological impact and also an evolving concept of citizenship: a change in the way citizens access services and relate to life. This is the fundamental basis of what we call the new Civic OS.

As we move forward, IoT will continue to alter society, as we know it today, establishing new variables and a new value chain which embraces both humans and machines as our significant others as the two become evermore inseparable. This change warrants a new set of protocols and behaviors to be able to function within the new norm, which in turn, continues to shape the Civic OS. This operating system, powered by IoT solutions, will enable economies to run more efficiently, securely and productively.

In this paradigm, technology and infrastructure become key differentiators in global economies, whose GDPs will depend less on access to raw materials and commodities and more on their capacity to share, store and access information. Ideally, such economies will be able to optimise their resources and build inclusive and affirmative communities while also minimizing negative environmental impact.

IoT's Public Service Blind Spot

The Government of India is one of the few that has clear and enabling IoT-related policies and regulatory frameworks in place.

India's Department of Electronics and Information Technology (DeiTY) has already published a draft IoT policy document to ensure the country captures a 5-6% share of the potential \$15 billion global bonanza by 2020. The paper covers IoT-specific training provisions, as well as research and development initiatives to support new IoT-enabled products and services.

The ripple effect of an efficient IoT system in public administration translates into a better-connected, more secure and cost-effective standard of living. IoT is the pathway to creating smart grids that lead to better management of natural resources such as water and energy.

In terms of the wider association of IoT and public services, a perception gap remains about the role and opportunity for the technology. Only (6.1%) respondents cited 'better access to public services' as a priority for IoT, fewer than one in eight (14.5%) currently associates IoT with the provision of public services, and fewer than one in ten (9.6%) considers that IoT could increase access to public services.

This blind spot in people's understanding and expectations about IoT's potential benefit to public services risks inhibiting its implementation in India. Again, an essential element of a balanced Civic OS would include educating citizens on the opportunities that IoT presents to enhance the quality and availability of public services, as well as their rights regarding the same. It would be critical in the evolution of society.

(Source: IOT Policy from Department of Electronics and Nasscom)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward Looking Statements” beginning on page no. 12 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the Section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this Section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the Sections titled “Risk Factors” and “Financial Statements” as restated beginning on page no. 18 and 123 respectively.

All references to “we”, “us”, “our” and “our Company” are to ACS Technologies Limited as the case may be.

OVERVIEW

Our Company was incorporated as ‘Applied Computer Sciences Organization Private Limited’ on June 04, 1980 with the Registrar of Companies, Hyderabad as a Private Limited company under the provisions of the Companies Act, 1956. Pursuant to a special resolution passed by our shareholders on September 16, 1994, the name of our Company was changed to “ACS Technologies Private Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies - Hyderabad on October 06, 1994. Subsequently, our Company was converted into a Public Limited Company ‘ACS Technologies Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies on September 20, 1995.

The Corporate Identification Number of our Company is U72200TG1980PLC002703.

Originally, our Company was promoted by Mr. Buddhiraju Bhujanga Veera Kishore, Ph.D in operations research in Wharton School, University of Pennsylvania and a professor in IIM, Kolkata and Mr. Koka Ravindra being Engineering Graduate from Madras University and Masters from Kansas State University, USA. The Company was engaged in providing consulting services in information technology sector and offering IT infrastructure maintenance services to public sector undertakings and banks such as BSNL, Income Tax Offices, HAL, BHEL, High Court of Andhra Pradesh, State Bank of India, Hyderabad Stock Exchange, Nizam Sugar Factory, etc. During the 1995 and 1996, Mr. Ashok Kumar Buddharaju was heading Hyderabad division of IT business and has successfully executed many contracts on behalf of the Company.

Due to age complexities and administrative issues during 2010-11, promoters of the Company have transferred majority of the stake and management to Mr. Ashok Kumar Buddharaju and his friends/relatives. With 18 years of experience in IT giants such as Wipro, Brigade, Varsun etc. till 2011, Mr. Ashok Kumar Buddharaju has taken over management of the Company and regained lost customers through successful execution of projects. He has played key role in success of the Company by taking Revenue of the Company from Rs. 1.40 Crore in 2010 to Rs. 42.00 Crores by 2017-18.

In order to expand the business operations into various business verticals, financial expertise was to be pursued for which Mr. Prabhakara Rao Alokam, a Chartered Accountant by profession has joined Mr. Ashok Kumar Buddharaju in the year 2015 as Finance Director. Mr. Ashok Buddharaju has transferred stake in the Company for the services and investments made by Mr. A Prabhakara Rao Alokam during the year 2015 to 2018 and made him a Co-promoter of our Company. With the help of Mr. Prabhakara Rao Alokam and other business heads, the Company has ventured into other potential business verticals such as Security Surveillance, Digital Signage, Smart Technologies during last 2 years.

Our Company is a rapidly growing Information Technology company that provides software consulting, development and IT-enabled services to diverse clientele. Our Company team provides efficient and maximum

results for our clients at a value unprecedented in the industry.

Our Company has been highly focused on providing superior quality services to its Customers. Our Company is certified and endorsed with **ISO 20000-1:2011, ISO 27000:2013 and ISO 9001:2015** meeting all Quality Standards required for IT Development, IT Security and IT Services.

For over 3 decades, Our Company has been providing various IT Solutions including Software Support, Custom Application development, IT Infrastructure Management, System Integration, IT Security solutions, Biometric and Mobile solutions. Our Company believes in the successful blend of domain knowledge; implementation skills and human perception that profiles a front-runner in the highly competitive world of software consulting and IT enabled services.

The executive team of Our Company comes with rich experience covering various industrial verticals, has been engaged in several projects including ERP implementations, Custom Business Applications, Portal Development, Product Development, Technology Consulting, Project Management and Post Implementation support.

Since 2017, Our Company has entered into the IoT vertical which has a tremendous growth potential. Partnering with Original Equipment Manufacturers in Sensor and Communication Technologies and in collaboration with premier academic institutions in India for R&D, it has invested heavily in partner network and in development of Integrated Smart Data Visualization and Analytics Platform that has now been proven on ground and is being marketed in India as well as globally. It is marketing a highly scalable platform along with IoT products for Homes to Campuses to Smart Cities encompassing Smart Water, Energy, Transport, Advertising, Home Automation, Video Conferencing, Online Helpdesk and open architecture to add more IoT Sensors to the platform.

OUR COMPETITIVE STRENGTHS

Comprehensive Services

By employing a systematic approach to the project life cycle of design, development, testing, rollout and support and by leveraging our experience with multiple verticals of business and the best practices therein and proprietary processes and tools ACS delivers cross-functional IT solutions and services. Our solutions are scalable, robust, secure, and supported comprehensively. Customers depend on the predictable performance of our solutions and services.

Expertise in Development

Our custom applications and solution development services are conceptualized, designed, and delivered by a team of highly experienced enterprise solution experts and technology architects. Our projects team members and program management specialists with more than 5000 person years of experience combined.

Quality Assurance

Many of our customers have leveraged our solutions and services for application development, maintenance, and support transitioning to excel and drive their business on to the “next level”. Our specialized quality approach assists in helping customers optimize the cost of application development, and transitions their enterprise applications for maintenance and support.

OUR STRATEGIES

- widening of our customer base
- Reduction of operational costs and achieving efficiency
- To build-up a professional organization
- Focus on cordial relationship with our Suppliers, Customer and employees
- Optimal Utilization of Resources

Location Presence:

BRANCH OFFICES

Visakhapatnam Branch:

Address: D. No. 39-11-17/1, Sector - VI, Murali Nagar, Visakhapatnam - 530 007, Andhra Pradesh

Tel: 0891-2552207

Email: info@acstechnologies.co.in

Further our Liason offices situated at: Vijayawada, Tirupati, Kochi, Goa and Bangkok

Our operations are aligned into the following business verticals:

Below are the key business verticals that our Company is currently focusing on and made significant effort to increase its market share in these areas for the past few years:

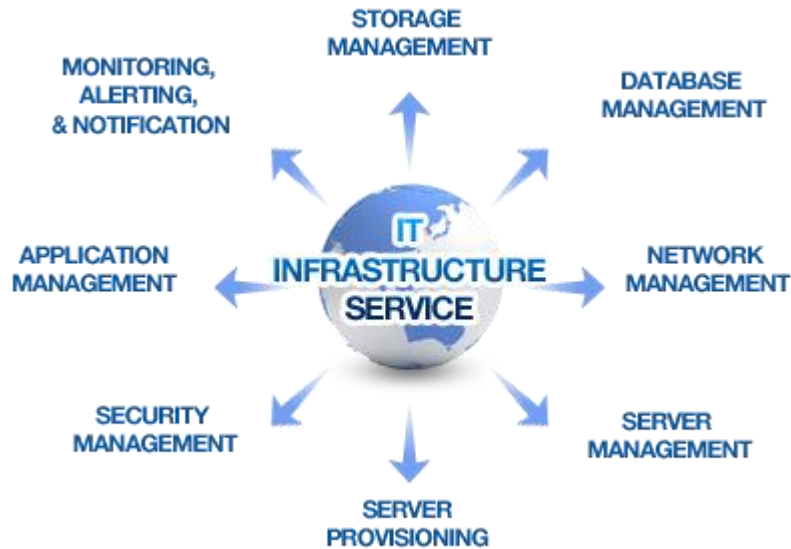
Key Business Verticals



IT Infrastructure

Since its inception, ACS has been masters in Information Technology Infrastructure support services. Evolved with the technology, mastering and delivering a cohesive, end to end optimization of Data Centers which are aligned with business trends and availability of latest technology and techniques. We provide comprehensive solutions thereby transforming an organization into a total IT driven enterprise.

Our IT Infrastructure Solutions include turnkey projects involving end-to-end Design & Implementation of Network, Smart Server Solutions, Storage Solutions, security and Infrastructure.



Security & Surveillance

We leveraged our extensive expertise in IT Infrastructure to foray into Smart Security and Surveillance. We manage multi-vendor and multi-system based services in Electronic Security, Dynamic Security concentrating on providing state-of-the-art services for Design, Installation, Commissioning and Management of the systems in Security and Surveillance segment.

The systems include:

- Closed Circuit Television (CCTV)
- Access Control Systems
- Fire Detection and Alarm System
- Perimeter Protection & Intruder Detection Systems
- Metal Detectors X-Ray Machines
- Baggage and Vehicle Scanners
- Boom Barriers, Tyre Shudders, Bollards, Road Blockers etc.



We have executed several turnkey projects successfully in the Security & Surveillance domain, including the Safe-city projects.

Software Products and Solutions

Our Custom Applications and Solution Development Services are conceptualized, designed, developed and implemented by a team of experts and experienced in Software Product development.

For the last 5 years, we have developed several products using various technologies to enable the end customers in improving their operational efficiencies significantly.

Below are the few products that were developed by us:

- Helpdesk
- Document Management System
- Content Management Solution
- Hospitality Management System
- Hospital Management Software
- Queue Management System
- M-Wallet
- Learning Management System
- Athena Smart Analytics

Property/Hospitality Management System (HMS/PMS)

Also known as Property Management System, is a comprehensive tool enveloping the Reservation Process, Guest Registration, Accounts, Check-In/Check-Out, Discounts, Allowances, and the Audits. PMS facilitates Interfacing, Electronic Sharing of data from Front Office, Food & Beverages, Monitoring/Maintenance of Energy Systems (Heating and Cooling) and Security Control for both Patrons and Employees.

Our PMS includes Energy Management (EMS), Material Management (MMS), Point of Sale (POS), Human Resource Information (HRIS), Accounting, Call Accounting (CAS) and Management Information (MIS).

Our cloud based hotel management system does not require any local server installation and administration. The software is on a private cloud, which can be accessed using a desktop, laptop, tablet or mobile. The cloud's modern architecture also allows the system to be more agile in adapting to newer business demands.

PMS would help small medium hotels to compete with the larger ones by improving upon its operational efficiencies, 24/7 accessibility and reduced costs & resources by using IoT products in energy, water and entertainment.



Learning Management System (LMS)

Our mission is to empower institutions and impart education in an open platform focused on professional development and future employment. Training workforce spread across geographical locations pose a formidable challenge in coordinating, tracking, maintaining a comprehensive and cohesive learning experience for every individual. Hence e-learning or LMS gained traction over the years and we intend to transform the learning experience by providing viable solutions.

LMS is a software application for administration, documentation, tracking, reporting of training programs, classrooms and online events, e-learning programs and training content. Traditional LMS, with its rigid static architecture, was primarily employed for the efficient distribution of learning content with little or no flexibility offered to instructors and end users, reducing its value and limiting its adaptation in any organization.

Our robust LMS can support dynamic learning experience through collaboration and knowledge sharing. It includes various features such as Learning On-The-Go through Mobile Learning, SaaS and Administrative Features which consist of Identify and Role Creation, Learning Path Management and various other pivotal features. Global LMS market is expected to grow to \$17.08 billion by 2022 according to Statistics MRC and we intend to carve a niche for us there.



Athena Smart Analytics

Athena Smart Analytics System, is conceived to integrate multiple Smart Sensor Technologies of Industry Partners providing Visualization, Analytics, Decision Support highly helpful for Citizens, Operations and Maintenance Teams of City Corporations. Smart Transport, Smart Energy, Smart Water, Smart Surveillance, Smart Emergency Response, Information Services, Intelligent Advertising and Home Automation with Data Mining are the focal points. A large scale implementation of Athena can cover a City, but the solution scales upwards from individual homes to Condominiums/Apartments, Campuses to small townships and upwards to a whole City. It can be implemented at any level for the Consumers/End Users and the Service Providers.

There is no dearth of Smart Technologies, however, there is a clear gap in terms of having an integrated platform that can provide a Common Operational Picture (COP) spanning across various utilities and services. Most of these Smart Technologies do not talk to each other, maintain isolated databases, and provide functionality limited to their domain. Athena Smart Analytics System is designed to end this debacle paving way to a modern highly functioning well integrated society.

We currently integrate over 16 IoT Systems including Home Intelligence Sensors, Smart Water Meters, Smart Street Lighting Control, and Intelligent Advertising via remote control of Digital Signage Displays, Smart Energy Meters and Energy Monitoring Devices (For Transmission and Distribution Audits) and Smart Condominium Management System.

Athena is a multibillion-dollar potential market and along with its partners IoT offerings plans to target a sizeable chunk of it over next few years.

Analytics Platform to make Cities Smart

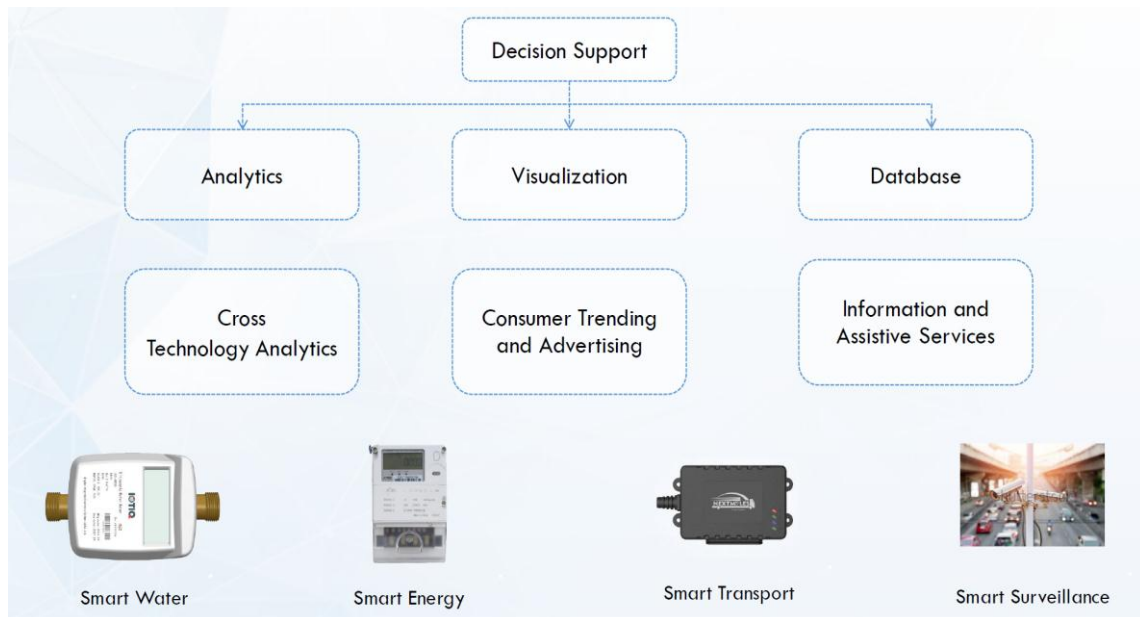
- ✦ City Performance Dashboards
- ✦ Citizen online portals, forums
- ✦ Workforce, Resource Management



- ✦ Integrated Asset Management Solutions
- ✦ Smart Water and Energy Solutions



- ✦ City performance dashboard
- ✦ Analytics
- ✦ Integrated Command and Control Centre
- ✦ Capacity Building through online trainings
- ✦ Online citizen services
- ✦ Social media
- ✦ Helpline



Home Intelligence

Smarter living – Overview

Today, a growing topic of discussion in workplaces is the "Internet of things" (IoT). The concept of IoT has the potential to impact how we work and live. With the world moving towards smart devices, IoT is the next big wave of change. IoT connects smart devices to the internet, providing a secure network for data exchange. It is predicted that by 2020, 50 billion devices will be connected to the internet (*Source: Nasscom*). In today's scenario, the cost of connecting to the internet is decreasing with broadband internet widely available. Mobile data subscriptions are rapidly multiplying along with an increase in smartphone penetration. Wi-Fi capabilities are built into devices owing to lower technology costs. All these factors are creating the perfect ecosystem for the rise of IoT. The new wave of transformation enabled by more affordable "connected" sensors, embedded intelligence and control, faster & more ubiquitous communications networks, various disruptions in realizing the ecosystem, Infrastructure and advanced data-analytics capabilities with Edge Computing paradigm in the aspect of improving the efficiency and cost savings as the key benefits.

IOTIQ is one of its kind Home Automation System that is present and available in the industry today. IOTIQ provides the best solution to home complications and problems with cutting edge technology that is not only highly responsive but also durable and affordable.

A connected home demands a powerful, reliable and yet secure platform capable of running and functioning even in the rigors of real-world conditions, IOTIQ provides this with the help of the industrial standard ZIGBEE protocol, IOTIQ offers you utmost access over all home appliances with just a touch via your smartphone or tablet without any compromise in quality, technology and performance and thus is simply unmatched in all these areas.

IOTIQ FEATURES



Automation for us means something which works on its own and requires no human intervention. So, we built an Infrastructure which is adaptable for all and this infrastructure will be able to work on its own without any human intervention. We are heavily invested on developing Algorithms supporting our deep learning neural network which is constantly trying to access the user's pattern on using appliances.

Speaking about a long-term vision: We will be including every online service provider, e-commerce websites, local services and utility providers in our system that also without making any change in existing infrastructure and make IOTIQ a SINGLE SIGN ON Platform for any Personal Assistance.

The Internet of Things (IoT) is one of the emerging technologies for future human society with technical, social and economic significance. 'homes to Industry' each aspect of human life will directly benefit from the IoT technology and its application. IoT represents the next evolution of the Internet.

As per information published in the website of Nasscom, there will be nearly 26 billion devices on the Internet of Things by 2020. ABI Research estimates that more than 30 billion devices will be wirelessly connected to the Internet of Things by 2020.

The internet of things (IoT) refers to a set of electronically connected physical systems. These systems can be biological sensors or assembly line machines storing production data and anything in between. These systems and devices use internet protocols to communicate with one another or report real-time data to users thereby minimizing human intervention leading to increased efficiency.

Smart Electricity



We are equipped to visualize and monitor the power consumption using smart technology, integration of smart sensors and other IoT devices thereby saving money while meeting the need in residential properties, educational campuses, scaling up to cities. Our devices and technology offer astronomy mode with offset, fixed time scheduling, electrical fault detection, secure design, powerful firmware with real time usage monitoring and cloud-based architecture with remote diagnostics.

Smart Water

Water is a vital resource and smart management is the key to the optimal utilization with zero wastage. Our Smart Water IoT kit is a wireless self-contained system that provides accurate meter reading, flow control, tamper proof design with robust electronic firmware, safe, secure, real time consumption monitoring and cloud-based architecture with remote diagnostics.



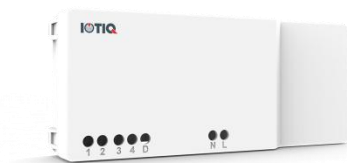
Smart Agriculture Solutions

Crops are extremely sensitive to environmental conditions such as temperature, solar radiation, humidity, air quality and others. Even minor changes in these parameters could severely impact the quality of the yield and farm. To assess the effects in real time and provide actionable insights, ACS has developed a solution with Sensor Devices that detect changes in temperature, humidity, CO2, and ambient light. We provide Cloud Platform to collect the data from multiple devices and user-friendly applications with actionable insights to farmers and administrators.



OUR PRODUCT PORTFOLIO:

Switch Controller



Controls all appliances, Monitors energy consumption for all the appliances send the data to mobile app. Control the sensors and provides intelligence to appliances.

Technical Specifications:

- Connectivity: Connects to 2.4 GHz, Wi-Fi 802.11 b/g/n
- Power Rating: 100-240V ~ 50/60 Hz 6 Amp
- Appliance Control: 5, 4, 3 Switch Module
- Range: upto 40 ft.
- Dimension:
- 3 Switch - 118 mm * 54 mm * 24 mm
- 4 Switch - 124 mm * 54 mm * 24 mm
- 5 Switch - 132 mm * 54 mm * 24 mm
- Color: White.
- Capacity: 1200W





IP Camera



Control surveillance features, connected to Tab and gives video call to mobile phone and Tablet if motion is detected nearby.

Technical Specifications:

- Technology (Wireless): Wi-Fi
- Power Rating: 12V/1A DC
- Indications: LED Indication, 6Pcs IR night Vision
- Dimension: 120*96*35 mm
- Sensor: Motion Detector
- Range: 1.5 m
- Color: Silver Grey
- Weight: 200gm
- Feature: Support Capturing Photo and Videos
- Key Pad: Doorbell

<p>Curtain Controller</p> 	<p>Control the curtain operation with help of motor and passes information to room controller and vice versa.</p> <p>Technical Specifications:</p> <ul style="list-style-type: none"> ➤ Technology (Wireless): Zigbee. ➤ Power Rating: 12V/2A DC Adaptor. ➤ Indications: LED Indications. ➤ Range: Zigbee/Wi-Fi (60m with Obstacles, 1200m in Line of Sight) ➤ Dimension: 150*85*35mm ➤ Color: Cream Color ➤ Weight: 100gm ➤ Key Pad: 2 keys keypad on controller
<p>IR Blaster</p> 	<p>The IR Blaster gives access to all IR enabled devices such as AC, TV, Projector, Music System etc. It is used to control all the appliances and devices from your Smartphone. Now with its help the users can change channels, regulate the temperature of AC or play songs from your music system, using their Smartphone. It has the recorded over 5000 set top boxes and over 9000 appliances. It can be used for a host of applications as it can track which channel on TV you are watching!</p> <p>Technical Specifications:</p> <ul style="list-style-type: none"> ➤ Connectivity: Connects to 2.4 GHz, Wi-Fi 802.11 b/g/n ➤ Power Rating: 5V/1A ➤ Indications: powerful IR LEDs at 940nm and 20-60 kHz ➤ Range Up-to 40 feet from IR Blaster to the appliance ➤ Dimension: 40 mm x 56.2 mm x 25mm ➤ Color: Grey
<p>Smart Sense</p> 	<p>Left USB slot of the Sensor strip can connect any analog sensor, either Light, Gas or Air Quality.</p> <p>Right USB slot can connect any i2c Sensor, either Motion or Occupancy.</p> <p>Technical Specifications:</p> <ul style="list-style-type: none"> ➤ Connectivity: Connects to 2.4 GHz, Wi-Fi 802.11 b/g/n ➤ Power Rating: 5V/1A ➤ Indications: LED Indication ➤ Sensor: Light, Motion, Temperature, Smoke, Air & Gas ➤ Range: Max 7 m ➤ Features: Energy Saving, Indoor security, Automatic control
<p>Gate Controller</p> 	<p>Control the gate operation with help of motor and passes information to room controller and vice versa.</p> <p>Technical Specifications:</p> <ul style="list-style-type: none"> ➤ Connectivity: Connects to 2.4 GHz, Wi-Fi 802.11 b/g/n ➤ Power Rating: 230V AC Adaptor. ➤ Indications: LED Indications. ➤ Dimension: 150*85*35mm ➤ Color: Cream Color ➤ Weight: 100gm ➤ Key Pad: 2 keys keypad on controller.

Digital Signage

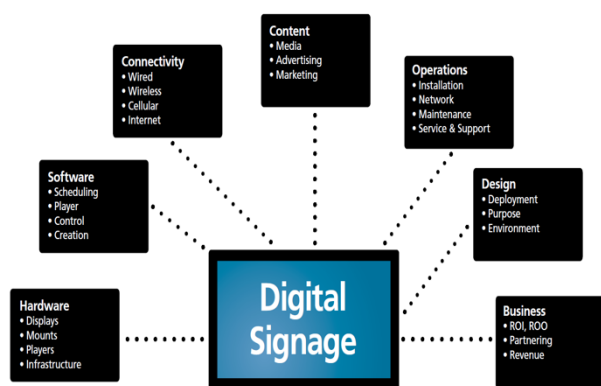
Digital signage can truly be an enigma. Today, it seems to be all around us in forms as diverse as interactive flat-panel displays, scaling up to digital signs the size of buildings, and, most recently, scaling down to smartphones and mobile devices we carry around with us.

The concept is clouded by the overabundance of terms describing it: Digital out of Home (DooH), captive audience networks, in-store media, video advertising networks, narrowcasting, and audio visual signage, to name a few of the more popular references.

Regardless of what it is called by the ever-expanding number of vendors and industry insiders, there is one simple fact that we can all agree on: Digital signage can be an extremely effective and surprisingly affordable communication medium for businesses and institutions of all types and sizes. The entire concept of digital signage revolves around delivering a message more effectively than a traditional static sign.

”The 7 Key Elements of Digital Signage”

The disparate parts of a digital signage can become a tangled web of technologies if not understood as standalone elements and then as a whole as they will exist in a digital signage system. Each element converges with one another and understanding the interaction between the parts is mandatory. Keep in mind that every digital signage system contains all of the 7 Key Elements in one form or another and if ignored, can become the weak link in the chain.



CMS Features:

- ✓ Hosted & software as a service (SaaS) solution
- ✓ Streaming multiple media streams and files simultaneously
- ✓ RSS news feeds to audiences
- ✓ Supports preloaded Templates and Layouts
- ✓ Automated email alerts
- ✓ Content Play out reports
- ✓ Portrait & Landscape modes
- ✓ Stretched image across various Video wall screen sizes
- ✓ Touch screens for interactive media and way findings

Geographical Sales for the FY 2017-18:

Particulars	Amount (In Lakhs)	% to Revenue
Region Wise		
India	4222.87	100.00%
Overseas	0.00	0.00%
State Wise		
Telangana	2446.41	57.93%
Andhra Pradesh	1456.59	34.49%
Kerala	81.22	1.92%
Odisha	77.04	1.82%
Tamil Nadu	95.10	2.25%
Chhattisgarh	28.99	0.69%
Karnataka	18.77	0.44%
Goa	18.75	0.44%

TOP SUPPLIERS & CUSTOMERS:

CUSTOMERS	SUPPLIERS
➤ Ship Building Center, Visakhapatnam	➤ Microcare Computers Pvt Ltd
➤ Airport Authority of India, Chennai	➤ Champion Computers

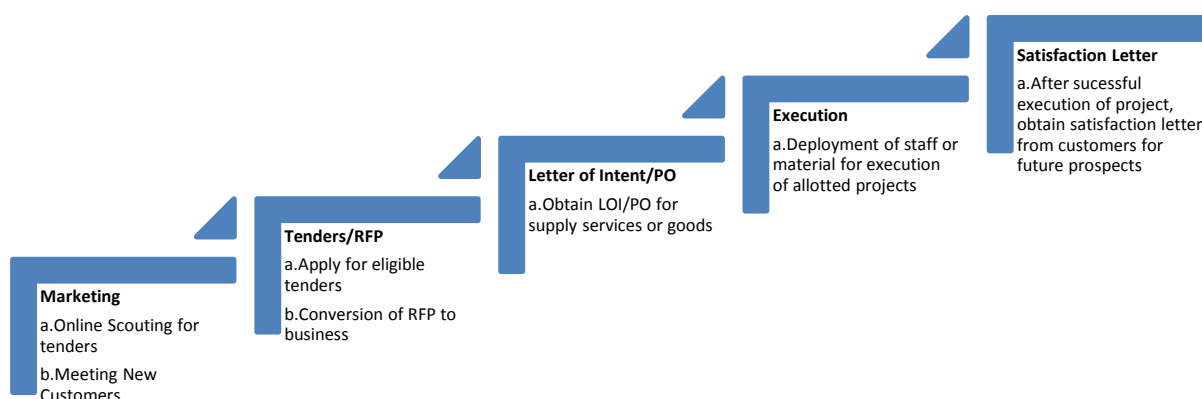
➤ GMR International Airport, Hyderabad	➤ Ingram Micro India Pvt Ltd
➤ Visakhapatnam Steel Plant, Visakhapatnam	➤ Kables & Konnectors
➤ Nuclear Fuel Complex, Hyderabad	➤ Netcon Technologies Pvt Ltd
➤ Ordnance Factory, Medak, Telangana State	➤ R & M India Private Limited

PLANT & MACHINERY

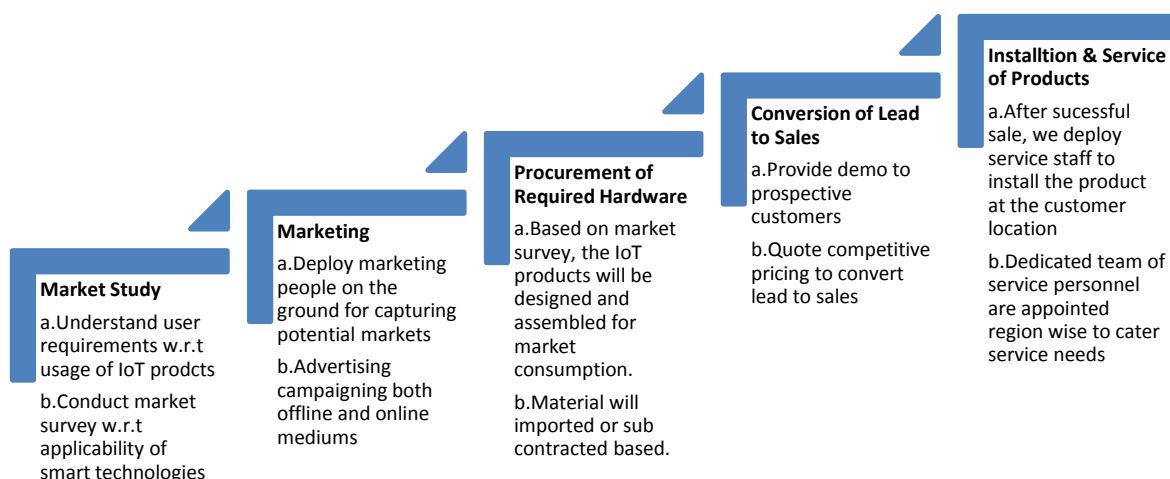
Since our Company is not involved in any manufacturing activities, we do not have any plant and machinery which is used in manufacture of any product.

BUSINESS PROCESS

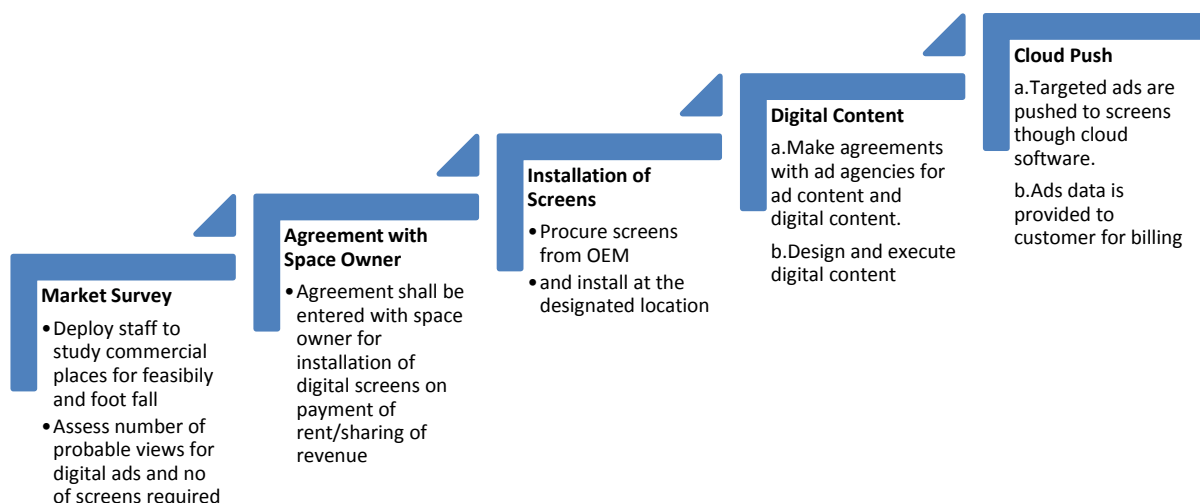
IT Infrastructure Maintenance & Security Surveillance:



Smart Technologies (Internet of Things – IoT)



Digital Signage:



SWOT ANALYSIS

Below is the matrix identifying our strengths and areas for improvement

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Large Customer Reach - Varied client base spanning Government, PSU's, BFSI and Corporates across the country and expanding into Global Markets ➤ Customer Retention - Consistently retained customers with repeat contracts from 2 to over 20 years ➤ Brand Partners - Authorised Reseller of Globally acclaimed brands like HP, IBM, Microsoft, Dell, Sony, Infinova, CISCO, D-Link, R&M, Honeywell etc ➤ Cross Functional Experience Management Team - Management Professionals at helm with 15 to 30 years of experience in Technology, Marketing, Finance and Operations ➤ Industry and Business Connects - Wide networks of contacts and referrals ➤ Technology Alliances - Indigenous Award Winning Partners in IoT and Smart Technology Space and alliances with Premier Academic Institutions for R&D and Commercialization ➤ Proven Track Record - No failed project over 38 years. Proven track record of success over all verticals ➤ Products IPR - IPR built for over 8 software technology products with ongoing activity for Trademarking, Copyrighting and Patenting. 	<ul style="list-style-type: none"> ➤ Very high working capital outlay as many projects/orders are having large IT Equipment Components ➤ Very long sales cycle ➤ Cash flow problems due to project time over-runs for reasons beyond our control (Govt procedural delays, approval delays, payment delays) ➤ Primary presence in India leading to limited reach in Global Markets
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Growth in Digital Markets - Increasing need for ICT Infrastructure as the global markets move towards a digital economy ➤ Government Focus on ICT - Focus areas of the current Govt. of India are clearly increasing market opportunity ➤ IoT Boom - Billions of connected devices and sensors will lead to ACS and partner products finding large scale adoption ➤ Smart Technologies - ACS has invested in past 2 years to address market space of 100 Smart Mission Cities and 500 Amruth Programme Towns with Smart Water, Energy, Transport, Advertising and Infrastructure 	<ul style="list-style-type: none"> ➤ Very stringent and slow tendering procedures in Indian Government markets ➤ Expected entry by big media houses in collaboration with Hardware OEMs is a threat to Digital Signage vertical ➤ Lower end local competition bidding abnormally low prices to gain market entry ➤ Increase in chances for a major player to focus on our high yielding business verticals ➤ Existence of large Big-Data players in the market. Their collaboration with inexperienced players in IoT/SmartTech can lead to a fragmentation of market

Automation Solutions	space
<ul style="list-style-type: none"> ➤ Related Markets - Very small technical alterations can make the products of ACS usable in any other related market leading to a quick Go-To Market for new upcoming opportunities ➤ Defence Alliances - A major chunk of ACS customers are Defence Orgs which have a tendency to stay and continue business with proven Service and Technology partners with whom they have successfully transacted in the past 	

Risk Mitigation

Below are various mitigation plans for each of those identified improvement areas:

Weaknesses	Mitigation
Very high working capital outlay as many projects/orders are having large IT Equipment Components	Approaching trusted investors who can bridge capital outlay gap and who also can help in increasing market reach, acting as a business partner
Very long sales cycle	Expanding to Global Markets with lesser sales cycle times
Cash flow problems due to project time over-runs for reasons beyond our control (Govt procedural delays, approval delays, payment delays)	Maintenance of Cash Reserves from Capital Investments
Primary presence in India leading to limited reach in Global Markets	Associating with Global Reputed Partners to market products and services in multiple countries
Threats	Mitigation
Expected entry by big media houses in collaboration with Hardware OEMs is a threat to Digital Signage vertical	Establish quickly in regions of influence and strive for Cost-Quality benefit to ensure customer retention
Lower end local competition bidding abnormally low prices to gain market entry	Focus on high end Quality and Technology areas where small players will not gain entry easily

COLLABORATIONS

S No	Party Name	Type of Agreement	Business	Tenure
1	Volty IoT Solutions Pvt. Ltd, Hyderabad	Exclusive Dealership	Dealing in advanced real time tracking IoT devices	October 03, 2018 to October 02, 2019
2	Shenzhen Onething Technologies Co Ltd, Shenzhen (China)	MoU	IoT Solutions, Digital Signage & other Software products	Three Years from January 21, 2019
3	Flipkart India Pvt Ltd, Bengaluru	Supply Agreement	Supply of IoT products and Solutions	January 28, 2019 till terminated
4	Shenzhen Onething Technologies Co Ltd, Shenzhen (China)	Distribution Agreement	Distribution of Onething Cloud Devices in India	One Year from April 01, 2019
5	Aero Enable Co Ltd, Thailand	MoU	IoT Devices Development	30 th April 2018 to till terminated
6	Beijing Tengger Energy Technology Co Ltd, China	Strategic Co-operation Agreement	R& D on IoT Platforms	19 th Nov 2018 to 31 st Dec 2021
7	NIT, Raipur	Smart City Projects	R & D on Smart City Projects	18 th Jul 2017 to 17 th Jul 2020
8	Gitams, Hyderabad	R & D	R & D on Smart City Projects	6 th Jul 2017 to 5 th Jul 2020
9.	Naresuan University, Thailand	Hospital Automation	Hospital Management System	29 th April 2019 to till terminated

UTILITIES

Power:

Our registered office has adequate power supply position from the public supply utilities

Our network offices have adequate power supply from the respective local electricity supply companies in each location.

Water:

Water, for our Registered Office and at our network offices / godowns is mainly used for drinking and sanitation purposes and the same is in adequate supply from various public supply utilities in their respective locations.

Manpower:

ACS is known for a technology driven company, having its topnotch technocrats working on various domains. ACS has an overall strength of 431 employees working across different verticals. Below is the snapshot of the qualification of employees and the platform/domain that they are currently working upon.

Skill and Domain	Qualifications	Nos
Software Development & Testing	BTECH, MCA, MTECH, BCA, BSC	86
Software Project Managers	BTECH, MTECH, MBA	7
UI Developers and Graphic Designing	BTECH, BCOM, BA, DCS	5
IT Infra and Surveillance	BTECH, BE, MCA, MTECH, BCA, BSC, BCOM	247
IT Infra Project Managers	BTECH, BE, MTECH, MBA	16
Directors and Key Management	MBA, BTECH, MS	12
Human Resources and Administration	MBA, LLB, BCOM, BA	8
Marketing and Sales	MBA, BTECH, BCOM, BA	18
Finance and Accounts	CA, CS, MBA, MCOM, BCOM	7
Administration Staff	BCOM, BA	15
Housekeeping Staff	SSC, INTER	10
		431

INTELLECTUAL PROPERTY

Our Company does not have any Intellectual Property rights and has not entered into any trade mark registration as on date of Draft Red Herring Prospectus.

PROPERTY

A. Leasehold/Rental Properties:

Sr. No.	Location	Owned/Rented/Leased/Licensed	Area	Lessor	Tenure and Annual Rent	Description of activities at a given location
1	Hyderabad	Leased	4400 sq. ft.	Asma Estates & Investment Private Limited	6 Years from 01.08.2018 Rs. 1,98,000/- Per Month	Registered Office and Operations
2	Visakhapatnam	Leased	1400 sq. ft.	T Tarun Kumar	11 Months Rs. 18200/- Per Month	Branch Office and Operations

INSURANCES

The Insurance Policies covered by the Company are:

Coverage	Employee Accident Policy	Employee Medical Policy	Vehicle Insurance	Vehicle Insurance	Burglary Insurance	Fire Insurance
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Policy No.	2999201878870801000	GHS/Q0356393/41	OG-19-1803-1825-00010433	0158512114	6204024619 0100000008	6204021119 0300000001
Insurance Company	HDFC ERGO General Insurance Company Limited	Bharti AXA General Insurance Company Ltd	Bajaj Allianz General Insurance Company Ltd.	Tata AIG General Insurance Company Limited	The New India Assurance Co. Ltd	The New India Assurance Co. Ltd
Agency	Global Insurance Brokers Private Limited	MDH Insurance Broking Pvt Ltd	Kun Motoren Private Limited	Apex Insurance Broking Services Private Limited	Apex Insurance Broking Services Private Limited	Apex Insurance Broking Services Private Limited
Location and assets covered	Location: Hyderabad and Visakhapatnam Assets: Employees	Location: Hyderabad and Visakhapatnam Assets: Employees	Location: Hyderabad Asset: BMW X5 Vehicle	Location: Hyderabad Asset: Innova Crysta Vehicle	Location: Hyderabad and Visakhapatnam Asset: Stocks of hardware and networking, furniture and machinery	Location: Hyderabad and Visakhapatnam Asset: Stocks of hardware and networking, furniture and machinery
Sum insured	₹2,00,000 per employee per year	₹3,00,000 per employee per year	₹61,23,786	₹17,89,174	₹1,68,65,000	₹1,68,65,000
Total premium	₹25,092	₹ 2,20,901	₹1,82,169	₹44,612	₹6701	₹17114
From	19/08/2018	20/12/2018	19/03/2019	08/07/2018	09/05/2019	09/05/2019
Valid up to	18/08/2019	19/12/2019	18/03/2020	07/07/2019	08/05/2020	08/05/2020

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the important laws, relevant regulations and policies as prescribed by the Government of India and other regulatory bodies which are pertinent to our business as a player in business of providing IT related services. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. Taxation statutes such as the I.T. Act, and applicable labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For the purpose of business activities undertaken by our Company, our Company is required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see chapter on “Government and Other Approvals” on page 170 of this Draft Red Herring Prospectus.

INDUSTRY RELATED REGULATIONS

Information Technology Act, 2000 and the rules framed thereunder

Information Technology Act, 2000 is principally based on the UNCITRAL model law. The object is to give effect to the resolution of the United Nations which recommended giving favourable consideration to the said model law while enacting or revising their laws so that uniformity of law, applicable to the alternatives to the paper based methods of communication and storage of information is achieved. Its other object is to promote efficient delivery of government services by means of reliable electronic records. It therefore provides for:

1. Legal recognition for transactions carried out by means of electronic data interchange and other means for electronic communication, commonly referred to as “electronic commerce”, which involve the use of alternatives to paper based methods of communication and storage of information;
2. Facilitating electronic filing of documents with the government agencies and for matters connected therewith or incidental thereto.

The Information Technology Act, 2000 regulates Information Technology i.e. it governs information storage, processing and communication. The use of modern means of communications such as E-mail and electronic data interchange has been rapidly increasing. However, the communication of legally significant information in the form of paperless messages may be hindered by legal obstacles to the use of such messages, or uncertainty to their legal effect and validity. The purpose of the Information Technology Act, 2000 is to remove such obstacles and to create a more secure legal environment for what has now become known as “electronic commerce”. The Information Technology Act, 2000 provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cyber crimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases. The Information Technology Act, 2000 also provides punishment for offences committed outside India if the act involves a computer system or computer network outside India.

The Information Technology Act, 2000 facilitates revolution of e-commerce, provides a legal framework to digital documents and helps in preventing cyber crimes. In a nutshell, the Information Technology Act, 2000, as amended, and the rules framed thereunder provide for:

1. Legal recognition of electronic record;
2. Admissibility of electronic data/evidence in courts;
3. Data protection obligations in relation to sensitive information;
4. Legal acceptance of electronic signatures; and

5. Punishment for cyber obscenity and crimes including fraudulent use of computer systems, offensive and
6. Obscene communications, identity theft and cyber terrorism;
7. Establishment of a Cyber Regulatory Advisory Committee and a Cyber Regulatory Appellate Tribunal;
8. Regulatory control including provisions for interception, monitoring and decryption of information and blocking public access to any information.

The Micro, Small and Medium Enterprise Development Act, 2006 (“MSMED Act”)

The MSMED Act seeks to provide for the promotion and development along with facilitating and enhancing competition among micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including a company, a partnership, firm or any other undertaking engaged in the manufacture or production as specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as follows:

A micro enterprise, where the investment in plant and machinery does not exceed ₹ 25.00 Lakhs;

A small enterprise, where the investment in plant and machinery is more than ₹ 25.00 Lakhs but does not exceed ₹ 500.00 Lakhs; or

A medium enterprise, where the investment in plant and machinery is more than ₹ 500.00 Lakhs but does not exceed ₹ 1,000 Lakhs.

The MSMED Act also stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below.

- (i) A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 lakh;
- (ii) A small enterprise is an enterprise where the investment in equipment is more than Rs.10 lakh but does not exceed Rs. 2 crore;
- (iii) A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 crore but does not exceed Rs. 5 crore.

A. LABOUR RELATED REGULATION

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

Under the EPF Act, compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees State Insurance Act, 1948 (“ESI Act”)

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Employers of factories and

establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

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

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

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days’ wages for every completed year of service with the employer.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or confinement or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

The Employee’s Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership

under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

B. TAX RELATED LEGISLATIONS

The following is an indicative list of tax related laws that are applicable to our Company:

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its residential status and type of income involved. It provides for levy, administration, collection and recovery of Income Tax. Under Section 139(1) every Company is required to file its Income Tax Return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017 (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digits registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

C. STATE RELATED LEGISLATIONS

Telengana Shops and Establishments Act, 1988

The Establishments are required to be registered under the provisions of local shops and establishments legislation applicable in the relevant states. The objective of the act, irrespective of the state, is to regulate the working and employment conditions of worker employed in shops and establishments including commercial establishments. The act provides for fixation of working hours, rest interval, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. The Telengana Shops and Establishments Act, 1988 governs the Company's shops and establishment in Telengana.

The Andhra Pradesh Shops and Establishments Act, 1988

The Establishments are required to be registered under the provisions of local shops and establishments legislation applicable in the relevant states. The objective of the act, irrespective of the state, is to regulate the working and employment conditions of worker employed in shops and establishments including commercial establishments. The act provides for fixation of working hours, rest interval, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. The Andhra Pradesh Shops and Establishments Act, 1988 governs the Company's shops and establishment in Andhra Pradesh.

Telengana Goods and Services Tax Act, 2017 and the Telengana Goods and Services Tax Rules, 2017

Telengana Goods and Services Tax Act, 2017 came into force w.e.f. June 22, 2017 which provides for the levy of GST on intra-state and interstate supply of goods or services or both. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. GST-registered businesses are allowed to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility rests with a single authority to levy tax on goods and services. The Telengana Goods and Services Tax Rules, 2017 came into force w.e.f. June 22, 2017 which provides for the procedures relating to composite Levy and Registration for various categories of taxable person and the formats of the various forms to be submitted with the GST authority in prescribed time limit.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

The Telengana Tax on Professions, Trades, Callings and Employments Act, 1987 is applicable to our Company.

D. OTHER REGULATIONS

Property related laws

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process.

Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

The Transfer of Property Act, 1882 (the “TP Act”)

The TP Act establishes the general principles relating to transfer of property in India. It deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. The TP Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act also provides for the rights and liabilities of the vendor and purchaser, and the lessor and lessee in a transaction of sale or lease of land, as the case may be. The TP Act also covers provisions with respect to mortgage of property, Charge, lease, exchanges, gifts and actionable claims.

The Indian Registration Act, 1908

The Indian Registration Act, 1908 (the “Registration Act”) details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs.100/- or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

Indian Stamp Act, 1899

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any

right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of five rupees, or when ten times the amount of the proper duty or deficient portion thereof exceeds five rupees, of a sum equal to ten times such duty or portion.

E. INTELLECTUAL PROPERTY LAWS

The Trademarks Act, 1999 ("Trademarks Act")

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

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act 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. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection and the owner of such software becomes entitled to protect his works against unauthorised use and misappropriation of the copyrighted work or a substantial part thereof. Any such acts entitle 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 60 years from the demise of the author.

Reproduction of a copyrighted software for sale or hire 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. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

F. FEMA AND FEMA REGULATIONS

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and

agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

Foreign Direct Investment

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("RBI") also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘Applied Computer Sciences Organization Private Limited’ on June 04, 1980 with the Registrar of Companies, Hyderabad as a Private Limited company under the provisions of the Companies Act, 1956. Pursuant to a special resolution passed by our shareholders on September 16, 1994, the name of our Company was changed to “ACS Technologies Private Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies - Hyderabad on October 06, 1994. Subsequently, our Company was converted into a Public Limited Company ‘ACS Technologies Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies on September 20, 1995. The Corporate Identification Number of our Company is U72200TG1980PLC002703.

The promoters of our Company are Mr. Ashok Kumar Buddharaju, Mr. Prabhakara Rao Alokam, Mrs. Anitha Alokam and Mrs. Ramadevi Buddharaju.

Changes in the Registered Office of our Company:

Our Company’s Registered Office is currently situated at 3rd Floor, Sai Krishna, Plot No.797 A, Road No.36, Jubilee Hills, Hyderabad - 500033. The details of changes in the address of our Registered Office since incorporation are set forth below:

Date of Change	From	To	Reason for Change
As on date of Incorporation	-	316, Chandralok Complex, S. D. Road, Secundrabad, - 500003	-
10.05.2008	316, Chandralok Complex, S. D. Road, Secundrabad, - 500003	1-8-303/48/14, Gopalaya 1 st Floor, P.G.Road, Behind Pizza Hut (KPR House), D.P. Co-op Society, Secunderabad - 500003	Administrative /Operational Convenience
01.07.2011	1-8-303/48/14, Gopalaya 1 st Floor, P.G.Road, Behind Pizza Hut (KPR House), D.P. Co-op Society, Secundrabad, - 500003	Plot No.13, Phase II, Guttala Begumpet, Kavuri Hills, Madhapur, Hyderabad - 500081	Administrative /Operational Convenience
16.05.2017	Plot No.13, Phase II, Guttala Begumpet, Kavuri Hills, Madhapur, Hyderabad - 500081	Plot No. 458, First Floor, Road No.19, Jubilee Hills, Hyderabad - 500033	Administrative /Operational Convenience
01.08.2018	Plot No. 458, First Floor, Road No.19, Jubilee Hills, Hyderabad - 500033	3 rd Floor, Sai Krishna, Plot No.797 A, Road No.36, Jubilee Hills, Hyderabad - 500033	Administrative /Operational Convenience

Except as disclosed above, there has been no change in the Registered Office of our Company since its incorporation.

Main Objects of Our Company:

The main objects contained in the Memorandum of Association of our Company are as follows:

1. To carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up Information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centers using owned /hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel / consultants/ human

resources to / from other organizations, providing solutions/ Packages/ services through applications services provider mode via internet or otherwise, to undertake IT enabled services. To manufacture , import, export, purchase, sell, trade, process, rent, lease and otherwise deal in computer hardware, computer software, computer stationery, data processing equipments, Internet of Things IOT hardware development & Platforms, machinery components, equipments tools, apparatus accessories, spare parts, energy and or power saving equipment, solar energy equipments for computers, bio- medical and pollution controls, remote controls and the accessories used in electronic communication equipments peripheral products and transmission equipments, testing equipments, consumables such as ribbons types ,electrical and electronic components manufacturing of electronic units and components required for any electronic industry associated and related with / to computer and provide training in respect of the above areas and to provide services in above areas including systems analysis, systems development, programming, data processing, data entry systems in India and abroad. To Conduct business in the areas of computers, Management Systems, Engineering and Other related areas, to develop Software for Various Organisation including Computer manufactures, business organizations, Government and industry in India and abroad, to Provide Computer Consultancy Services. To provide maintenance services for micro, mini and large computer systems. To Carry on the business of assembling and manufacture of all types and of every description of computers, telecommunication and electronic equipment, components, appliances and apparatuses and maintenance thereof, as dealers in such equipment components and appliances, research and development of computers, telecommunication and electronic goods of every description and the manufacture of plants, machinery and tools for all business as aforesaid and to do all acts and things required incidental or ancillary to the above.”

2. To carry on in India or abroad the business of advertising & publicity agents and contractors and for this purpose to purchase sell, sponsor, hire, charter, manage, acquire, undertake, hold, provide & promote, publicity or advertising time space or opportunity on any radio station, internet, broadcasting center, television center, video cassettes, audio cassettes, hoardings, signage, neon signs, electronic display board, cinema cable network, newspapers, magazines, souvenirs and all other present and feature medias or display devices , running any video, audio, voice, or other programmers or software, (both proprietary and third party) over television, radio, internet, telecom or any other media and to do all incidental acts and things necessary for the attainment of objects under these presents. To carry on the business to manufacture, maintain, install, prepare, produce, fabricate, alter, paint, convert, finish, buy, sell, import & export all kinds of advertising and publicity material and such as slides, CD's, pamphlets, calendars, posters, hoardings, cutouts etc. and to act as agent, broker, vendor, owner, franchiser, organizer, promoter, sponsor, or manager of all sorts & descriptions of advertising and publicity business and to do all incidental acts and things necessary under these presents.
3. To carry on the business of construction work comprising of civil works, civil engineers, civil contractors and to undertake projects and contracts for Government or non – Government companies, authorities and undertake either alone and jointly with any other Company or persons , works of all distinction like construction, renovation, repairs , widening, paving, resurfacing of roads, upgrading, strengthening of roads, flyovers, highways, tunnels or bridges of all types of R.C.C and post – tensioned cement concrete works , reinforced cement concrete works , granting ,rock cutting, reclamations, cement gutting, waterproofing works, painting , decorating and to purchase , acquire , contract, erect , repair and maintaining of structures, flyovers, tunnels, dams, earth tunnels, towers, reservoirs, drains and culverts, trenches , embankments , irrigation works, reclamations, land improvement, sewerage and sanitary works.
4. To carry on the business of on line as well as off line shopping, net marketing, multi level marketing of consumer and other goods, internet advertising and marketing, creating virtual malls, stores, shops, creating shopping catalogues, providing secured payment processing, net commerce solutions for business to business and business to consumers, online trading in and outside India but does not include banking and money circulating business. To establish, manage, supervise and control multi marketing chains and through online marketing services with a view to encourage people to effect savings and accommodating the products and services promoted by the company. To carry on the business of conducting marketing surveys, multilinking, promotional activities channel establishments for various products & services and the business of purchase, sale, market through various means including Multi-Level Marketing (MLM) online as well as offline marketing and through websites also, import, and export of consumer goods, drugs, drug intermediates, medicines, pharmaceuticals, nutritional and health care products, cosmetics, software & websites. To carry on

the business as buyers, online buyers and sellers online marketers, sellers, traders, importers, exporters, merchants, exporters, departmental stores, brokers, distributors, traders, stockiest, dealers, packers, repackers of all types of consumers products. To carry on all or any of the following business activities relating to the provisions of Electronic Commerce services to Business Organizations either directly or through collaboration, joint venture, or under licenses and/ or trade agreements. E-mail services, Electronic Data Interchange (EDI), Enhanced telefax Services, Electronic Information Services i.e., database Services to support commercial exchanges, other intercompany network applications and for the above purposes, to establish, in India, Messaging backbone network interconnecting different parts of the country in a phase manner and to import such hardware, software and/ or technology from time to time as may be required.

5. To engage in business of providing IT/ITES training to students, staff, employees of any person, firm or companies requiring them, to carry out in India or elsewhere, training and placement services in software development, hardware development, support information technology enabled back office service call center, portal design and content developments. To initiate, carry out, execute, implement, aid and assist activities towards skill development Schemes Central/State Government or any other body/authority, to Conduct training Programmes and undertake research studies, in Computer Sciences and Management.

Changes in the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company for past 10 years:

Date of shareholders resolution	Type of Meeting	Particulars
02.01.2018	Extra Ordinary General Meeting	<ul style="list-style-type: none"> ➤ Alter Main Object Clause of Memorandum of Association of the Company. ➤ Amend The Title of Incidental Object Clause Of The Memorandum of Association ➤ For Deletion of The Other Object Clause Of The Memorandum of Association ➤ Amendment of The Liability Clause Of The Memorandum of Association ➤ The authorised share capital Rs. 1,10,00,000/- consisting 11,00,000 Equity Shares of Rs.10 each was increased to Rs. 2,00,00,000/- consisting 20,00,000 Equity Shares of Rs.10 each
18.09.2018	Extra Ordinary General Meeting	The authorised share capital Rs. 2,00,00,000/- consisting 20,00,000 Equity Shares of Rs.10 each was increased to Rs. 12,00,00,000/- consisting 1,20,00,000 Equity Shares of Rs.10 each
01.03.2019	Extra Ordinary General Meeting	The authorised share capital Rs. 12,00,00,000/- consisting 1,20,00,000 Equity Shares of Rs.10 each was increased to Rs. 15,00,00,000/- consisting 1,50,00,000 Equity Shares of Rs.10 each

Major Events and Milestones

Year	Particulars
1980	Incorporation of the Company
1990	Established branch in Visakhapatnam
2011	Change in Management – Company is taken over by Mr. Ashok Kumar Buddharaju and his friends.
2012	Entered into Security and Surveillance vertical
2014	Change in Management – Mr. Prabhakara Rao, Chartered Accountant joined organization as Finance Director.
2015	Crossed turnover of Rs. 10 Crores in the FY 2014-15
2016	1. Inducted professionals as business heads having more than 20 years of experience in gamut

	of industries such as IT, FMCG, Logistics and Finance 2. Crossed Rs. 30 Crore turnover in the FY 2016-17 3. Entered into potential businesses such as Digital Signage and Internet of Things (IoT)
2017	Successfully executed safe city surveillance projects in twin cities of Hyderabad and Secunderabad of Telangana and Visakhapatnam of Andhra Pradesh.
2018	1. Entered into Home/Office automation business 2. Floated subsidiary IOTIQ Innovations Pvt Ltd to boost automation business under different entity. 3. Developed Athena Smart Analytics Platform for smart cities and implemented POC for NIT Raipur and ISB, Hyderabad 4. Inducted Industry professionals as Independent Directors to incorporate transparency and Corporate Governance 5. Crossed Rs. 50.00 Crore turnover in the FY 2018-19
2019	Obtained BB Stable rating from CRISIL

For details regarding the description of our activities, including details of our business, geographical presence, growth, competition, products, technology, and managerial competence, please see sections entitled “Our Business”, “Our Management” and “Our Industry” beginning on page no.70, 101 and 68 respectively.

Revaluation of Assets

Except as disclosed, our Company has not revalued any of its assets till date.

Holding Company of our Company

Our Company has no holding company as on the date of filing of this Draft Red Herring Prospectus.

Subsidiary of our Company

As on the date of filing of this Draft Red Herring Prospectus, our Company has the following subsidiary:

IOTIQ Innovations Private Limited

Corporate Information:

Our subsidiary company was incorporated on September 20, 2018 as IOTIQ Innovations Private Limited under the provisions of the Companies Act 2013 which is engaged in the business of Home automation, IOT Products and other smart devices.

CIN of our subsidiary is U72200TG2018PTC126920 and is having its registered office at 3rd Floor, Sai Krishna, 8-2-293/82/A/797/A Plot No. 797/A, Road No. 36 Jubilee Hills, Hyderabad- 500033, Telangana, India.

Capital Structure:

Authorised Capital(Rs)	10,00,000
Paid up Capital(Rs)	1,00,000

Board of Directors:

Sr. No.	Name of the Director	DIN	Designation
1)	Mr. Prabhakara Rao Alokam	02263908	Director
2)	Mr. Ashok Kumar Buddharaju	03389822	Director
3)	Mr. Ramakrishna Hanumantha Nag	02071648	Director

Shareholding as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No of Shares held	% of total Paid-up Capital
1)	ACS Technologies Limited	5,100	51.00%
2)	Ashok Kumar Buddharaju	4,300	43.00%

3)	Ramakrishna Hanumantha Nag	300	3.00%
4)	Prabhakara Rao Alokam	300	3.00%
TOTAL		10,000	100.00%

Audited financial information

Particulars	31.12.2018
Equity shares capital	100,000
Reserves and surplus	(89,988)
Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income)	67,797
Profit after Tax	(89,988)
Earnings per Share	(8.99)
NAV	(8.98)

Amount of accumulated profits or losses of the subsidiary not accounted for by the Company

There is no accumulated profit/ (losses) not accounted for by our Company

Injunctions or Restraining Orders

There are no injunctions/ restraining orders that have been passed against our Company as on the date of filing of this Draft Red Herring Prospectus.

Strikes and Lock-Outs

Our Company has, since incorporation, not been involved in any Labour disputes or disturbances including strikes and lock- outs till date. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.

There are no mergers, amalgamation, etc. with respect to our Company and we have not acquired any business/undertakings as on the date of this Prospectus.

Capital raising activities through Equity or Debt

For details of the equity capital raised by our Company, please refer to the chapter titled “*Capital Structure*” beginning on page no. 44 of this Draft Red Herring Prospectus. Our Company has not carried out any debt issuances or raised any long term debt except as describe in financial statements since incorporation till date of filing of this Draft Red Herring Prospectus.

Changes in the Management

For details of change in Management, please refer to “*Our Management*” on page no. 101 of this Draft Red Herring Prospectus.

Shareholders Agreements

Our Company has not entered into any shareholder’s agreement as on date of filing of this Draft Red Herring Prospectus.

Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Agreements with strategic partners, joint venture partners and/or financial partners and other agreements

As on the date of filing this Draft Red Herring Prospectus, there are no existing material agreements with strategic partners, joint venture and/or financial partners or other material agreements entered into by our Company which are not in its ordinary course of business.

Other Agreements

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of this Draft Red Herring Prospectus.

Collaboration

Our Company has entered into the following collaborations as on the date of filing of this Draft Red Herring Prospectus

S No	Party Name	Type of Agreement	Business	Tenure
1	Volty IoT Solutions Pvt. Ltd, Hyderabad	Exclusive Dealership	Dealing in advanced real time tracking IoT devices	October 03, 2018 to October 02, 2019
2	Shenzhen Onething Technologies Co Ltd, Shenzhen (China)	MoU	IoT Solutions, Digital Signage & other Software products	Three Years from January 21, 2019
3	Flipkart India Pvt Ltd, Bengaluru	Supply Agreement	Supply of IoT products and Solutions	January 28, 2019 till terminated
4	Shenzhen Onething Technologies Co Ltd, Shenzhen (China)	Distribution Agreement	Distribution of Onething Cloud Devices in India	One Year from April 01, 2019
5	Aero Enable Co Ltd, Thailand	MoU	IoT Devices Development	30 th April 2018 to till terminated
6	Beijing Tengger Energy Technology Co Ltd, China	Strategic Co-operation Agreement	R& D on IoT Platforms	19 th Nov 2018 to 31 st Dec 2021
7	NIT, Raipur	Smart City Projects	R & D on Smart City Projects	18 th Jul 2017 to 17 th Jul 2020
8	Gitams, Hyderabad	R & D	R & D on Smart City Projects	6 th Jul 2017 to 5 th Jul 2020
9.	Naresuan University, Thailand	Hospital Automation	Hospital Management System	29 th April 2019 to till terminated

Strategic Partner

Our Company does not have any strategic partner as on the date of filing of this Draft Red Herring Prospectus.

Financial Partner

Our Company does not have any financial partner as on the date of filing of this Draft Red Herring Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions or Banks

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

Number of Shareholders

Our Company has 11 (Eleven) shareholders as on date of this Draft Red Herring Prospectus.

Time and Cost overruns

Our Company has implemented projects but has not, experienced any time or cost overrun in relation thereto.

Guarantees provided by our Promoters

Our Promoters have given guarantees to bank that are outstanding as on the date of filing of this Draft Red Herring Prospectus. For details of guarantees provided by our Promoters please refer to “*Financial Indebtness*” on page 163 of this Draft Red Herring Prospectus

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, Our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) directors, subject to the applicable provisions of the Companies Act. Our Company currently has 6 (Six) directors, including 3 (Three) Whole Time Directors and 3 (Three) Non-Executive, Independent Directors.

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

Name, Father's Name, Address, Occupation, Nationality, Term & DIN	Age	Other Directorship
Name : Mr. Ashok Kumar Buddharaju Father's Name: Mr. Buddharaju Ramabhadra Raju Designation: Whole Time Director & CEO Address: B-401, Aspire Apartment, Durgamcheruvu Road, Madhapur, Hyderabad-81 Occupation: Business DOB: 01/07/1967 PAN: AFCPB7683M DIN: 03389822 Term: 5 years with effect from March 01, 2019 Nationality: Indian	51	Private Limited Companies: <ul style="list-style-type: none"> ➤ Varsun Etechnologies Private Limited ➤ Albesun India Private Limited ➤ Leadmax Technologies Private Limited ➤ IOTIQ Innovations Private Limited Public Limited Companies: NIL
Name : Mr. Prabhakara Rao Alokam Father's Name: Mr. Kotaiah Alokam Designation: Whole Time Director & CFO Address: Flat 201, Armaan Sukruthi Towers, Plot 56, Sarojini Naidu Nagar, Kakatiya Hills, Madhapur, Hyderabad-500081 Occupation: Business DOB: 15/06/1974 PAN: ADDPA1386P DIN: 02263908 Term: 5 years with effect from March 01, 2019 Nationality: Indian	45	Private Limited Companies: <ul style="list-style-type: none"> ➤ IOTIQ Innovations Private Limited ➤ Leadmax Technologies Private Limited ➤ Amaravati Global Solutions Private Limited ➤ Bluenine Technologies Private Limited ➤ Akshara Infracon India Private Limited Public Limited Companies: <ul style="list-style-type: none"> ➤ GSS Infotech Limited ➤ Covidh Technologies Limited
Name : Mrs. Anitha Alokam Father's Name: Mr. Krishna Rao Guzzaralapudi Designation: Whole Time Director Address: Flat 201, Armaan Sukruthi Towers, Plot 56, Sarojini Naidu Nagar, Kakatiya Hills, Madhapur, Hyderabad-500081 Occupation: Business DOB: 10/06/1978 PAN: AF CPA2142N DIN: 07309591 Term: 5 years with effect from March 01, 2019 Nationality: Indian	41	Private Limited Companies: NIL Public Limited Companies: NIL
Name : Mr. Chalagalla Venkata Satyanarayana Murthy Father's Name: Mr. Venkatanarayana Chalagalla Designation: Independent Director Address: 8-3-677/30, Srikrishna Devaraya Nagar, Yellareddyguda RBI Quarters, Srinagar Colony, Hyderabad-500073 Occupation: Service DOB: 08/01/1950 PAN: ADSPC5918J DIN: 01830388 Term: 5 years with effect from March 01, 2019 Nationality: Indian	69	Private Limited Companies: NIL Public Limited Companies: NIL

Name : Mr. Indraganty Venkateswara Sarma Father's Name: Mr. Indraganty Nageswara Sarma Designation: Independent Director Address: A 702 Mantri Astra Apts., Hennur Road, Chelkere Hunnur, North Kalyananagar, Bangalore- 560043 Occupation: Service DOB: 13/08/1952 PAN: ABIPS3906Q DIN: 02144740 Term: 5 years with effect from March 01, 2019 Nationality: Indian	66	Private Limited Companies: <ul style="list-style-type: none"> ➤ BPL Telecom Private Limited ➤ Eldaas Technologies Private Limited Public Limited Companies: <ul style="list-style-type: none"> ➤ Mishra Dhatu Nigam Limited
Name : Mr. Srinivasan Neti Father's Name: Tirupatayya Neti Designation: Independent Director Address: 8-3-678/Sai Ram Manor/Gomad Block/ Flat-304, Pragathi Nagar, Yosufguda Hyderabad-500045 Occupation: Service DOB: 16/08/1963 PAN: AANPS1971P DIN: 02677073 Term: 5 years with effect from March 01, 2019 Nationality: Indian	55	Private Limited Companies: NIL Public Limited Companies: NIL

Note:

As on the date of this Draft Red Herring Prospectus:

None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Brief Biographies of our Directors

➤ **Mr. Ashok Kumar Buddharaju (Whole Time Director & CEO)**

The Executive Management is led by Mr. Ashok Kumar Buddharaju. He is an Engineering graduate in Computer Sciences. He has worked diligently to build ACS on strong professional values. The quality of services by ACS stems from very strong fundamentals that he brings from his prior experience of over two decades in various IT companies viz. Wipro, Brigade and Varsun. He brings to the table in depth insight in business processes across diversified industries. In his three decades of professional career, he headed the largest technical teams of supporting HP North America Consumer support during his tenure with Wipro and Brigade. He played a key role in transforming ACS from traditional IT services provider to a business solutions company offering latest technological solutions.

➤ **Mr. Prabhakara Rao Alokam (Whole Time Director & CFO)**

He is a Whole Time Director & CFO of our Company; He played a key role in the Financing Strategy, Corporate Planning and Risk management and contributed to the company's rapid growth in turnover and profitability. He is a Chartered Accountant by profession and entrepreneur by choice. He is a seasoned financial professional who brings in 20 years of financial, industrial expertise and specialization includes strategic planning & development of business models. He is also a Director for a Logistics and Transport Management Company, Promoter for an IT/ITES Company engaged in IT Infrastructure Management, Security Solutions and Skill development. He has varied exposure in Agro based Seed Industry, Bulk Drug and Large Scale Dairy Industries.

➤ **Mrs. Anitha Alokam (Whole Time Director)**

Mrs. Anitha Alokam, Whole Time Director of our Company, She has vast experience in the fields of administration and human resources management and she takes care of Human Resources and Administrative

departments in the Company. Complex processes of employee hiring, training, performance appraisals have been simplified by Mrs. Anitha Alokam by introducing dynamic employee review system. Inventory management, procurement and administrative work flows are exclusively created and managed by her.

➤ **Mr. Chalagalla Venkata Satyanarayana Murthy (Independent Director)**

He is an established veteran in the IT industry. He has rich and hands-on experience of 45 years in IT and Communications. He is a great visionary and his experience in the field of IT has helped successfully build many large and medium projects in IT infrastructure design, implementation, management, system integration and E-governance space. Murthy holds a Bachelor's degree in electrical and electronics engineering and M. Tech in Neural networks.

➤ **Mr. Indraganty Venkateswara Sarma (Independent Director)**

He has an experience of over 38 years in the Electronics industry in India. His experience covers a number of functions including R&D, Manufacturing, Domestic and International business development, Project Management, Offsets Management, Strategic Planning, Setting up of factories, and formation of JVs. He has worked in diverse fields of Electronics business covering Radars, Communication systems, C4I projects, Electronic Warfare, Naval Systems, Optoelectronics, Electronic components, Telecommunications, Solar power and e-governance. He was a Director (R&D) in Bharat Electronics Ltd (BEL), a Navratna PSU, in the business of Defence Electronics, for over four years. He headed three units of BEL before becoming Director on its Board. He was also on the Board of BEL Optronics Devices Ltd.

➤ **Mr. Srinivasan Neti (Independent Director)**

He is a renowned professional with over 30 years of corporate experience in the Indian industry. He has spent the early part of his career with Blow Plast Ltd. and RPG Cellular (now Aircel) mainly in the Sales function. In 1998, he joined Brigade Corporation, a US based BPO firm and built the India operations from scratch to over 4,000 employees across 5 delivery centers. Then he shifted focus in 2009 to the education sector and was the Country Head of Laurus Edutech, one of India's premier skill development organizations. In 2011, he joined the renowned Ryan International Group of Institutions as COO, where he currently oversees the operations of the group's schools. He has helped in implementing various management systems to build cost-effective models of growth and teaching-learning processes.

He has completed his B.Tech from MS University, Baroda and went on to do his MBA from XLR1, Jamshedpur. He is also a Six Sigma Black Belt.

Confirmations

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

None of the above mentioned Directors are on the RBI List of willful defaulters.

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such Company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such Company.

None of our Directors is a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Nature of Family Relationship among Directors

Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Name of the Director	Nature of Relation
Mr. Prabhakara Rao Alokam	Husband of Anitha Alokam
Mrs. Anitha Alokam	Wife of Prabhakara Rao Alokam

Borrowing Powers of the Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and resolution passed at our Extra Ordinary General Meeting dated December 07, 2018, our Board has been authorised to borrow from time to time any sum or sums of monies on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained by the Company from lending agencies in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 200.00 Crores.

Remuneration to our Directors

Details of remuneration paid to our Executive Directors during Financial Year 2018-19 are set for the in the table below:

Sr. No.	Name of Director	Remuneration (₹ in Lakhs)
1.	Mr. Ashok Kumar Buddharaju	13.5
2.	Mr. Prabhakara Rao Alokam	13.5
3.	Mrs. Anitha Alokam	Nil

Terms of Appointment of our Directors

Executive Directors

Name	Mr. Ashok Kumar Buddharaju
Designation	Whole Time Director & CEO
Term	5 years with effect from March 01, 2019

Name	Mr. Prabhakara Rao Alokam
Designation	Whole Time Director & CFO
Term	5 years with effect from March 01, 2019

Name	Mrs. Anitha Alokam
Designation	Whole Time Director
Term	5 years with effect from March 01, 2019

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment except below.

Sr.No.	Purpose	Validity
1.	Appointment of Mr. Ashok Kumar Buddharaju as a Whole Time Director	5 years with effect from March 01, 2019
2.	Appointment of Mr. Prabhakara Rao Alokam as a Whole Time Director	5 years with effect from March 01, 2019
3.	Appointment of Mrs. Anitha Alokam as a Whole Time Director	5 years with effect from March 01, 2019

Non-Executive Directors

Currently, non-executive Directors are not being paid any remuneration apart from payment of sitting fees, if any. We also confirm that no remuneration being paid to Independent Directors apart from payment of sitting fees.

Shareholding of Directors in our Company

Other than the following, none of our Directors holds any Equity Shares as of the date of filing this Draft Red Herring Prospectus:

Name of Director	Number of Equity Shares held	Percentage of pre-Issue capital
Mr. Ashok Kumar Buddharaju	16,46,775	20.10%
Mr. Prabhakara Rao Alokam	19,61,260	23.94%
Mrs. Anitha Alokam	8,91,250	10.88%
Mr. Chalagalla Venkata Satyanarayana Murthy	NIL	NIL
Mr. Indraganty Venkateswara Sarma	NIL	NIL
Mr. Srinivasan Neti	NIL	NIL
Total	44,99,285	54.92%

Our Articles of Association do not require our Directors to hold any qualification shares.

Interest of Directors

Our Directors may be deemed to be interested to the extent of Sitting Fees / Remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors, please refer “*Remuneration to our Directors*” above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue.

Except as stated in the chapter titled “*Financial Information*” on page no. 123 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

Bonus or Profit Sharing Plan for our Directors

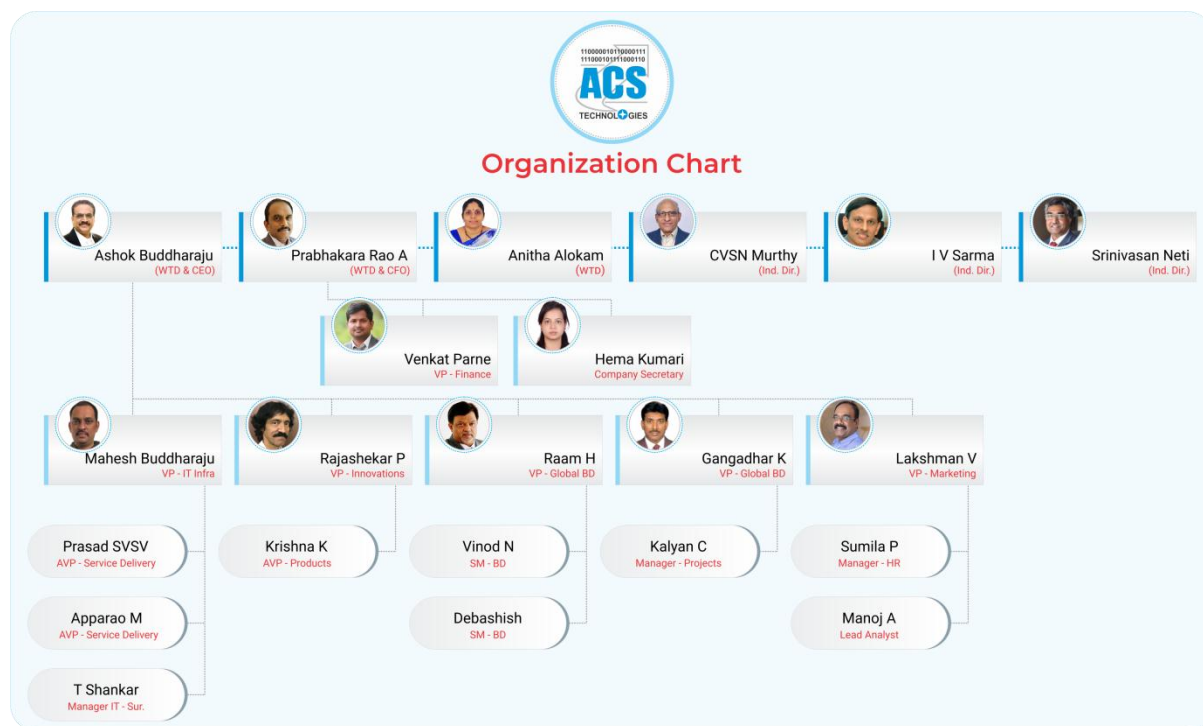
None of our Directors are a party to any bonus or profit sharing plan.

Changes in our Board of Directors during the last three (3) years

Name	Date of appointment/ change/ cessation	Reason
Mr. Mahesh Kumar B	25.05.2017	Cessation as Non-Executive Director
Mrs. Ramadevi Buddharaju	25.05.2017	Cessation as Executive Director
Mr. Indraganty Venkateswara Sarma	01.03.2019	Appointment as Independent Director
Mr. Chalagalla Venkata Satyanarayana Murthy	01.03.2019	Appointment as Independent Director
Mr. Srinivasan Neti	01.03.2019	Appointment as Independent Director
Mr. Ashok Kumar Buddharaju	01.03.2019	Change in Designation to Whole Time Director and Appointment as CEO
Mr. Prabhakara Rao Alokam	01.03.2019	Change in Designation to Whole Time

Name	Date of appointment/ change/ cessation	Reason
Mrs. Anitha Alokam	01.03.2019	Director and Appointment as CFO Change in Designation to Whole time Director

Management Organization Structure



TEAM PROFILE OTHER THAN DIRECTORS:

ACS team is led by Leaders in the IT, FMCG, Logistics and Financial Sector with a collective executive team experience of over 300 man years. Key Management team is as below:

Ramakrishna Naag, (VP – Business)

Ramkrishna is a Mechanical engineering graduate and a PG diploma in Business management. He is instrumental in taking ACS to international markets. He has over 25 years of experience in International business operations and profit centre management. He has successfully launched and developed international brands like SANSUI, Russell Hobbs & Westinghouse across SE Asia, ME Asia, Central Asia, Indian sub-continent, Africa and Latin America..

Rajashekhar Perepa (VP-Technology innovations)

Rajashekhar is an engineering graduate in Computer Sciences, has an experience of over 25 years in software development architecture and building Artificial Intelligence systems. He has been associated with top technology companies in his past engagement. He is well known in the industry for artificial intelligence technology and IOT products.

Mahesh B (Head-IT Infrastructure)

Mahesh is a Bachelor of Science and has over 20 years of experience in IT Infrastructure, Networking, Data Centers, Storage, Surveillance and Security solutions. He has played key role in expanding ACS business in the Defense and Government sectors.

Lakshman Rao (VP-Projects)

Lakshman is an MBA graduate, has experience of over 25 years in the corporate sector. Has immense experience in managing projects in various sectors; Logistics, Branding, CSR, IT and Smart City projects. He is quality conscious, a successful project executor and a NQA quality auditor.

Vijay Bachu (VP-Learning & Development)

Vijay is Masters in Business Administration and has a diverse experience of over 23 years in Operations and support in IT & Telecom. In his previous engagements, he has worked with Microsoft (Singapore and India), Brigade, Airtel and Idea cellular.

Gangadhar Ketha (VP-Operations)

Gangadhar is MBA (Marketing) graduate and has over 20 years of experience in IT Infrastructure, Medical Emergency, BPO, Staffing Services, IT Surveillance and Security solutions. He has played key role in establishing Center of Excellence team at ACS helping various customers.

Prasad SVSV (AVP-IT Infrastructure)

Prasad is a Master's in Business Administration and has over 20 years of experience in IT Infrastructure, Networking, Helpdesk, BPO, IT Surveillance and Security solutions.

M. Appa Rao (AVP-Key Accounts)

Appa Rao is an MBA graduate with over 15 years of active experience in IT Hardware Sales, Strategic services, Business development in Product sales, Networking Projects and Key major accounts.

Krishna Kumar K (SM-Software Products)

Kumar is a post graduate in Computer Applications and Business Management, has over 14 years of rich experience in Product Life Cycle Management, with specialization in Object-Oriented Application Development and Multi-tiered Applications. He has an unique understanding of Business, Technology Management and expertise in ever evolving domains such as Retail, Healthcare, e-Commerce, Education, Navigation, Logistics and BFSI.

Venkat Parne, (VP-Finance)

Venkat is a Chartered Accountant with financial exposure in the fields of financial budgeting, corporate restructuring, listing compliances, financial regulatory compliances and corporate funding assignments. He is a member of Institute of Chartered Accountants of India (ICAI).

Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of Six Directors (including one woman Director).

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- 1.) Audit Committee;
- 2.) Nomination and Remuneration Committee;
- 3.) Stakeholders' Relationship Committee;

Details of each of these committees of the Board are as follows:

1.) Audit Committee;

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated March 01, 2019 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Indraganty Venkateswara Sarma	Non-Executive Independent Director	Chairman
Mr. Chalagalla Venkata Satyanarayana Murthy	Non-Executive Independent Director	Member
Mr. Prabhakara Rao Alokam	Whole Time Director	Member

The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C SEBI (LODR) Regulations, 2015.

The role of the audit committee shall include the following:

- (a) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) reviewing, with the management, the annual financial statements 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, 2013;
 - (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 management;
 - (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;
 - (vii) modified opinion(s) in the draft audit report;
- (e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the 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) approval or any subsequent modification of transactions of the listed entity with related parties;
- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) 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;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) 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;

- (p) 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;
- (q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) to review the functioning of the whistle blower mechanism;
- (s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- (a) management discussion and analysis of financial condition and results of operations;
- (b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) internal audit reports relating to internal control weaknesses; and
- (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: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

2.) Nomination and Remuneration Committee

The Nomination and Remuneration committee was Re-constituted by a resolution of our Board dated March 01, 2019. The constitution of the Nomination and Remuneration committee presently is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Chalagalla Venkata Satyanarayana Murthy	Independent Director	Chairman
Mr. Indraganty Venkateswara Sarma	Independent Director	Member
Mr. Srinivasan Neti	Independent Director	Member

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committees in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Nomination and Remuneration Committee shall include the following:

- (a.) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (b.) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (c.) Devising a policy on diversity of board of directors;
- (d.) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (e.) 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.

3.) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated March 01, 2019. The constitution of the Stakeholders' Relationship committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Chalagalla Venkata Satyanarayana Murthy	Non-Executive Independent Director	Chairman
Mr. Indraganty Venkateswara Sarma	Non-Executive Independent Director	Member
Mr. Ashok Kumar Buddharaju	Whole Time Director	Member

The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

This Committee is responsible for the redressal of the grievances of the security holders including complaints relate to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations.

Our Company has adopted the following policies:

- 1) Evaluation of Performance of Board of Directors
- 2) Materiality Policy
- 3) Policy for preservation of Records
- 4) Policy for Prevention of Sexual Harassment
- 5) Whistle Blower Policy & Vigil Mechanism
- 6) Archival Policy
- 7) Policy of Material Subsidiary
- 8) Nomination and Remuneration Policy
- 9) Code for independent Directors
- 10) Code of Conduct for insider trading
- 11) Code of conduct of practices & procedure for fair disclosure of unpublished price sensitive information

Our Key Managerial Personnel

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / distribution / marketing and corporate laws.

In addition to Mr. Ashok Kumar Buddharaju, Mr. Prabhakara Rao Alokam and Mrs. Anitha Alokam our Whole Time Directors following key personnel assist the management of our Company:

Key Managerial Personnel:

The details of our key managerial personnel are as below:

Mr. Ashok Kumar Buddharaju (Chief Executive Officer)

For Brief Profile of Mr. Ashok Kumar Buddharaju please refer chapter titled "*Our Management*" on page 101 of this Draft Red Herring Prospectus.

Mr. Prabhakara Rao Alokam (Chief Financial Officer)

For Brief Profile of Mr. Prabhakara Rao Alokam please refer chapter titled "*Our Management*" on page 101 of this Draft Red Herring Prospectus.

Ms. Hema Kumari Gupta (Company Secretary and Compliance Officer)

Ms. Hema Kumari has a work experience of 2 years in Listing Compliances, ROC Compliances and other Legal & Statutory Compliances.

For details of our Directors please refer chapter “Our Management” on page 101 of this Draft Red Herring Prospectus.

Status of Key Managerial Personnel

All our Key managerial personnel are permanent employees of our Company.

Arrangements and Understanding with major Shareholders

None of our key managerial personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel

The following table sets forth details of shareholding of our Key managerial personnel in our Company as of the date of this Draft Red Herring Prospectus:

Name of the Key Managerial Personnel	No. of Equity Shares (pre-Issue)	Percentage (%)
Mr. Prabhakara Rao Alokam	19,61,260	23.94%
Mr. Ashok Kumar Buddharaju	16,46,775	20.10%
Mrs. Anitha Alokam	8,91,250	10.88%
Total	44,99,285	54.92%

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no profit sharing plan for the key managerial personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Loans to Key Managerial Personnel

There is no loan outstanding against key managerial personnel as on date of this Draft Red Herring Prospectus.

Interest of Key Managerial Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Changes in Key Managerial Personnel of our Company during the Last Three (3) Years

For details of changes regarding our Promoter and Managing Director during last three years please refer chapter titled “Our Management” on page 101 of this Draft Red Herring Prospectus.

Set forth below are the changes in the key managerial personnel of our Company during the last three (3) years.

Name	Date of appointment	Date of Cessation	Reason
Mr. Ashok Kumar Buddharaju	01.03.2019		Change in Designation to Whole Time Director
Mr. Prabhakara Rao Alokam	01.03.2019		Change in Designation to Whole Time Director
Mrs. Anitha Alokam	01.03.2019		Change in Designation
Mr. Ashok Kumar Buddharaju	01.03.2019	-	Appointment as CEO
Mr. Prabhakara Rao Alokam	01.03.2019	-	Appointment as CFO
Ms. Hema Kumari	01.03.2019	-	Appointment as Company Secretary & Compliance Officer

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

Payment or Benefit to our Officers

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

Employees


The details about our employees appear under the Chapter titled “*Our Business*” beginning on page 70 of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP


Mr. Ashok Kumar Buddharaju, Mr. Prabhakara Rao Alokam, Mrs. Anitha Alokam and Mrs. Ramadevi Buddharaju are the promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold a total of 57,84,445 Equity Shares, representing 70.60%, of the pre – Issue issued, subscribed and paid – up Equity Share Capital of our Company.

The Promoters of our Company are:


Mr. Ashok Kumar Buddharaju

	The Executive Management is led by Mr. Ashok Buddharaju, Whole Time Director & CEO. He is an Engineering graduate in Computer Sciences. He has worked diligently to build ACS on strong professional values. The quality of services by ACS stems from very strong fundamentals that he brings from his prior experience of over two decades in various IT companies viz. Wipro, Brigade and Varsun. He brings to the table in depth insight in business processes across diversified industries. In his three decades of professional career, he headed the largest technical teams of supporting HP North America Consumer support during his tenure with Wipro and Brigade. He played a key role in transforming ACS from traditional IT services provider to a business solutions company offering latest technological solutions.
Address	B-401, Aspire Apartments, Durgamcheru Road, Madhapur, Hyderabad, Telangana 500081
Permanent Account Number	AFCPB7683M
Passport Number	H6740564
Aadhar Card Number	2372 7371 5997


Mr. Prabhakara Rao Alokam

	A Prabhakara Rao is a Whole Time Director and CFO, played a key role in the Financing Strategy, Corporate Planning and Risk management and contributed to the company's rapid growth in turnover and profitability. He is a Chartered Accountant by profession and entrepreneur by choice. He is a seasoned financial professional who brings in 20 years of financial, industrial expertise and specialization includes strategic planning & development of business models. He is also a Director for a Logistics and Transport Management Company, Promoter for an IT/ITES Company engaged in IT Infrastructure Management, Security Solutions and Skill development. He has varied exposure in Agro based Seed Industry, Bulk Drug and Large Scale Dairy Industries.
Address	Flat No. 201, Armanas Sukurthi Towers, Plot No. 56, Sarojini Naidu Nagar, Kakatiya Hills, Shaikpet, Madhapur, Hyderabad 500081
Permanent Account Number	ADDPA1386P
Passport Number	S1976557
Driving License Number	1099751999
Voter ID No.	NVT1229186
Aadhar Card Number	4922 0330 0347

Mrs. Anitha Alokam

	Mrs. Anitha Alokam, is also one of the Whole Time Directors of the Company, She has vast experience in the fields of administration and human resources management and she takes care of Human Resources and Administrative departments in the Company. Complex processes of employee hiring, training, performance appraisals have been simplified by Mrs. Anitha Alokam by introducing dynamic employee review system. Inventory management, procurement and administrative work flows are exclusively created and managed by her.
Address	Flat No. 201, Armanas Sukurthi Towers, Plot No. 56, Sarojini Naidu Nagar, Kakatiya Hills, Shaikpet, Madhapur, Hyderabad 500081
Permanent Account Number	AFCPA2142N
Voter ID No.	NVT1230796
Aadhar Card Number	3900 4258 1412

Mrs. Ramadevi Buddharaju

	Mrs. Ramadevi Buddharaju, is Promoter of our Company. She shares her broad skills regarding management and provides guidance on overall Administrative work of our Company.
Address	B-401, Aspire Apartments, Durgamcheru Road, Madhapur, Hyderabad, Telangana 500081
Permanent Account Number	AJWPB0339C
Aadhar Card Number	5191 9287 8918

Our Company undertakes that the details of Permanent Account Number, Bank account number and Passport number of the Promoters will be submitted to the Stock Exchange, where the equity shares of our Company are proposed to be listed at the time of submission of this Draft Red Herring Prospectus.

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past for our Individual Promoter, please see the chapter titled “Our Management” beginning on page no. 101 of this Draft Red Herring Prospectus.

Common Pursuits of our Promoters

Our Promoter has not promoted any entity which is engaged in the line of similar to our Company as on the date of this Draft Red Herring Prospectus.

For more details please refer to our chapter titled “Our Group Companies” on page 117 of this Draft Red Herring Prospectus respectively. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest of the Promoters

Our promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding, for which they are entitled to receive the dividend declared, and other distribution in respect of Equity Shares if any, by our Company. For details on shareholding of our Promoter in our

Company, please refer sections “*Capital Structure*” and “*Our Management*” on pages 44 and 101 respectively of this Draft Red Herring Prospectus.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013, terms of the Articles and their terms of appointment.

Except as stated herein and as stated in “Annexure IV of *Related Party Transactions*” appearing under section titled “*Financial Information*” of the Company beginning on page 123 of this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Interest in the property of Our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus.

Payment amounts or benefit to our Promoters during the last two years

Except as stated in “*Financial Information*” on page 123 of this Draft Red Herring Prospectus, no amount or benefit has been paid by our company to our promoters or the member of our promoter group since the incorporation of the company.

Other ventures of our Promoters

Save and except as disclosed in the chapter titled “*Our Promoters and Promoter Group*” and “*Our Group Companies*” beginning on page 113 & 117 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 164 of this Draft Red Herring Prospectus.

Shareholding of the Promoters and Promoter Group in our Company

Except as disclosed in chapter titled “*Capital Structure*”, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Related Party Transactions

For the transactions with our Promoter Group Companies, please refer to chapter titled “*Financial Information*” on page 123 of this Draft Red Herring Prospectus.

Except as stated in “*Financial Information*” on page 123 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Companies do not have any other interest in our business.

Companies with which the Promoters are disassociated in the last three years

Except as disclosed in the chapter titled ‘Risk Factor’ beginning on page 18 and as disclosed below, our Promoters have not disassociated themselves from any companies during the three years preceding from the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the disassociated entity	Date of Disassociation/Resignation	Reason
Mr. Prabhakara Rao Alokam			
1.	More Agrisupplies & Services Private	27/09/2017	Due to personal Reason

Sr. No.	Name of the disassociated entity	Date of Disassociation/Resignation	Reason
	Limited		
2.	Wiselinks Fincorp Private Limited	31/03/2017	Due to personal Reason
Mr. Ashok Kumar Buddharaju			
1.	Covidh Technologies Limited	14/02/2018	Due to personal Reason

Other Confirmations

Our Promoters are not Willful Defaulter and there are no violations of securities laws committed by our Promoters in the past or pending against them.

Our Promoters are not Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoter Group

In addition to the Promoters of our Company, the following individuals and entities form a part of the Promoter Group.

1.) Individuals forming part of Promoter Group:

In terms of SEBI (ICDR) Regulations, the following immediate relatives, due to their relationship with our Promoters are part of our Promoter Group in terms of Regulation 2(1) (pp) of SEBI (ICDR) Regulations 2018:

Promoter/Promoter Group	Mr. Ashok Kumar Buddharaju	Mrs. Ramadevi Buddharaju	Mr. Prabhakara Rao Alokam	Mrs. Anitha Alokam
Father	Mr. Ramabhadra Raju B	Mr. Rangaraju G	Mr. Kotaiah A	Mr. Krishna Rao G
Mother	Mrs. Saraswathi	Mrs. Chilakamma	Mrs. Seetha Mahalakshmi	Mrs. Padmavathi
Brother	Mr. BSN Raju	-	Mr. Sadasiva Rao	-
Sister	Ms. Latha D	-	Ms. Siva Kumari	Ms. Sunitha
Spouse/Husband	Mrs. Rama Devi B	Mr. Ashok Kumar B	Mrs. Anitha Alokam	Mr. Prabhakara Rao A
Daughter	Ms. Snigdha B	Snigdha B	-	-
Son	-	-	Deepak & Gowtham	Deepak & Gowtham
Spouse's Mother	Mrs. Chilakamma	Mrs. Saraswathi	Ms. Padmavathi	Seetha Mahalakshmi
Spouse's Father	Rangaraju G	Ramabhadra Raju B	Krishna Rao G	Alokam Kotaiah
Spouse's Brother	-	Mr. BSN Raju	-	Mr. Sadasiva Rao
Spouse's Sister	-	-	Mrs. Sunitha	Mrs. Siva Kumari

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships form part of our Promoter Group: *

Sr. No.	Name of Promoter Group Entity/Company
1.	Covidh Technologies Limited
2.	Akshara Infracon India Private Limited
3.	Leadmax Technologies Private Limited
4.	Bluenine Technologies Private Limited

2.) Payment of benefits to Promoter Group

No payment has been made or benefit given to our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus except as mentioned / referred to in this chapter and in the chapter titled "Our Management", "Financial Information" and "Capital Structure" on page nos. 101, 123 and 44 respectively of DRHP

OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India such other companies as considered material by our Board.

Pursuant to a Board resolution dated February 04, 2019, the Board formulated a policy with respect to companies which it considered material to be identified as Our Group Companies. Our Board has approved that all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Financial Statements are identified as group Companies.

Accordingly, in terms of the SEBI Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated February 04, 2019, our Group Companies include:

The following companies shall be considered to be material Group Company(ies) under the Offer Document:

- (i) entity in which the investment in the form of equity or voting power or loan by our Company exceeds 20 % of the net worth of our Company for the last audited financial year; and
- (ii) where the Company has entered into one or more transactions with such entity in the last audited financial year, cumulatively exceeding 20 % of the total revenues of our Company for the last audited financial year.

Such Company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI Regulations, 2018;

Those companies disclosed as related parties in accordance with Accounting Standard (AS 18) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years and

All companies forming part of the Related Party Transactions, with whom our Company has entered into one or more transactions during any of the last three fiscals such that the transaction value with our Company in any of the aforementioned fiscals / period exceeds 10% of the total revenue of our Company in the respective fiscals / period.

Accordingly, in addition to our Promoter Group, as specified under the section “Our Promoter and Promoter Group” on page no. 113 of this Draft Red Herring Prospectus, the following companies have been identified as a Group Companies.

Listed Companies within our Promoter Group:

- Covidh Technologies Limited

Unlisted Companies within our Promoter Group:

- Akshara Infracon India Private Limited
- Leadmax Technologies Private Limited
- Bluenine Technologies Private Limited
- Amravati Global Solutions Private Limited

Following are the details of our listed Group Companies:

Covidh Technologies Limited

Corporate Information:

Covidh Technologies Limited was incorporated on January 27, 1993 as a public limited company. Currently, the Company is engaged in business of IT/ITES, mostly in supply/installation of computers and computer peripherals.

The CIN of Covidh Technologies Limited is L72200TG1993PLC015306. The equity shares of Company are listed on BSE Limited.

Board of Directors:

Sr. No.	Name of the Director	DIN	Designation
1)	Prabhakara Rao Alokam	2263908	Director
2)	Kirtikumar Laxmishanker Upadhyaya	1891466	Director
3)	Srinivasa Rao Munnangi	6930825	Director
4)	Uday Kumar Chava	6943146	Director
5)	Pittala Sukanya	8146455	Director
6)	Naresh Konda	08163277	Whole Time Director

Shareholding as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No of Shares held	% of total Paid-up Capital
1.	Promoter and Promoter Group	27,92,682	26.35%
3.	Public	78,07,318	73.65%
TOTAL		1,06,00,000	100.00 %

Consolidated Audited financial information:

(In Rs.)

Particulars	2017-18	2016-17	2015-16
Equity shares capital	106,000,000	106,000,000	106,000,000
Reserves and surplus	(10,07,39,547)	(100,815,772)	(100,466,974)
Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income)	33,57,43,162	241,307,734	254,960,787
Profit after Tax	76,226	(348,798)	(134,186,268)
Earnings per Share	0.01	(0.03)	(12.66)

Nature and Extent of Interest of Promoters as on 31st March, 2018

Our Promoter, Mr. Prabhakara Rao Alokam and Mrs. Anitha Alokam holds 12,66,612 Equity Shares of Rs. 10/- aggregating to 11.95 % and 5,13,950 Equity Shares of Rs. 10/- aggregating to 4.85 % respectively of the issued and paid up share capital of Covidh Technologies Limited.

Mechanism for investor redressal grievance

All shares related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation dematerialization of shares, and issue of duplicate certificates, etc. are handled by Registrars and Transfer Agent, Aarthi Consultants Pvt. Ltd.

There are no investor complaints pending as on the date of filing of this Draft Red Herring Prospectus

Share price Information:

The details of the monthly high and low prices on the BSE during the preceding six months are as follows:

Month Year	Monthly Low	Monthly High
October-2018	0.72	0.75
November-2018	0.72	0.90
December-2018	0.86	0.94
January-2019	0.85	0.93
February-2019	0.62	0.85
March-2019	0.53	0.59

AKSHARA INFRACON INDIA PRIVATE LIMITED

Corporate Information:

The company was incorporated on May 17, 2007 as a Akshara Infracon India Private Limited under the provisions of the Companies Act 1956. The Company is engaged in the business of civil contracts involving cable laying, construction of overhead tanks, Govt. Schools & hostels etc.

CIN of the Company is U70101MH2007PTC170916.

Board of Directors:

Sr. No.	Name of the Director	DIN	Designation
1)	Mr. Rajasekhara Reddy Yarram	01875875	Director
3)	Mr. Prabhakara Rao Alokam	02263908	Director

Shareholding as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No of Shares held	% of total Paid-up Capital
1.	Mr. Prabhakara Rao Alokam	7,50,000	75%
2.	Mr. Sureshbabu Gannamani	2,50,000	25%
TOTAL		10,00,000	100.00%

Audited financial information:

(In Rs.)

Particulars	2017-18	2016-17	2015-16
Equity shares capital	100,00,000	100,00,000	100,00,000
Reserves and surplus	31,37,313	31,77,740	31,15,124
Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income)	41.39,659	91,97,740	5,04,70,107
Profit after Tax	(40,427)	62,617	4,44,976
Earnings per Share	(0.004)	0.006	0.445
NAV		13.17	13.11

LEADMAX TECHNOLOGIES PRIVATE LIMITED

Corporate Information:

The company was incorporated on January 21, 2016 as a Leadmax Technologies Private Limited under the provisions of the Companies Act 1956. The Company is engaged in the business of operating e-Commerce portal used for booking commercial cargo within India and provides vehicles tracking services through Network Linked Global Positioning System.

CIN of the Company is U72200AP2016PTC098129.

Board of Directors:

Sr. No.	Name of the Director	DIN	Designation
1)	Mr. Prabhakara Rao Alokam	02263908	Director
2)	Mr. Ashok Kumar Buddharaju	03389822	Director
3)	Mrs. Apparao Nutalapati	07356953	Director

Shareholding as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No of Shares held	% of total Paid-up Capital
1)	Mr. Prabhakara Rao Alokam	4250	42.50%
2)	Mr. Ashok Kumar Buddharaju	4250	42.50%

3)	Mrs. Apparao Nutalapati	1500	15.00%
TOTAL		10,000	100.00%

Audited financial information:

(In Rs.)

Particulars	2017-18	2016-17	2015-16
Equity shares capital	1,00,000	1,00,000	1,00,000
Reserves and surplus	1,76,139	12,125	3,402
Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income)	14,87,049	4,32,750	96,000
Profit after Tax	1,64,014	8,723	3,402
Earnings per Share	16.40	0.87	0.03
NAV	27.61	11.21	10.34

BLUENINE TECHNOLOGIES PRIVATE LIMITED

Corporate Information:

The company was incorporated on August 31, 2010 as a Bluenine Technologies Private Limited under the provisions of the Companies Act 1956. The Company is engaged in The Company is engaged in the business of imparting technical training under various skill empowerment programs of Central & State Govt.

CIN of the Company is U72200TG2010PTC070244.

Board of Directors:

Sr. No.	Name of the Director	DIN	Designation
1)	Mr. Prabhakara Rao Alokam	02263908	Director
2)	Mr. Kotaiah Alokam	06948935	Director

Shareholding as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No of Shares held	% of total Paid-up Capital
1)	Mr. Prabhakara Rao Alokam	9,000	90%
	Mr. Kotaiah Alokam	1,000	10%
TOTAL		10,000	100.00%

Audited financial information:

(In Rs.)

Particulars	2017-18	2016-17	2015-16
Equity shares capital	1,00,000	1,00,000	1,00,000
Reserves and surplus	12,17,100	5,52,980	4,68,397
Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income)	139,674,103	12,91,92,667	16,79,81,180
Profit after Tax	6,64,120	84,583	3,66,137
Earnings per Share	6.64	0.85	3.66
NAV	131.71	65.29	56.83

AMARAVATI GLOBAL SOLUTIONS PRIVATE LIMITED

Corporate Information:

The company was incorporated on January 21, 2016 as a Amaravati Global Solutions Private Limited under the provisions of the Companies Act 1956. The Company is engaged in the business of IT/ITES, mostly in supply/installation of computers and computer peripherals.

CIN of the Company is U74900AP2016PTC098130.

Board of Directors:

Sr. No.	Name of the Director	DIN	Designation
1)	Mr. Prabhakara Rao Alokam	02263908	Director
2)	Mr. Kotaiah Alokam	06948935	Director
3)	Mr. Srinivasa Rao Munnangi	06930825	Director

Shareholding as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No of Shares held	% of total Paid-up Capital
1)	Mr. Prabhakara Rao Alokam	1,000	10%
	Mr. Kotaiah Alokam	3,500	35%
	Covidh Technologies Limited	5,500	55%
	TOTAL	10,000	100.00%

Audited financial information:

(In Rs.)

Particulars	2017-18	2016-17	2015-16
Equity shares capital	1,00,000	1,00,000	1,00,000
Reserves and surplus	37,326	30,936	5,728
Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income)	46,563,678	27,830,336	17,46,978
Profit after Tax	6,390	25,208	5,728
Earnings per Share	0.64	0.25	0.57
NAV	13.73	13.09	10.57

Related Party Transactions

For details on related party transactions please refer to 'Financial Statements, as Restated-Annexure-IV-Restated Statement of Related Parties Transactions' on page 123 of this Draft Red Herring Prospectus.

Defunct /Struck-off Company:

Except Disclosed below none of our Group Companies have remained defunct/ struck off and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing the Draft Red Herring Prospectus with Stock Exchange.

1. EKO Gifts Private Limited

Other Disclosures:

- 1) None of our Group Companies are under any winding up proceedings.
- 2) Our Group Companies have negative Net Worth as per the last audited financial statements mentioned herein for further details please refer chapter titled Our Group Companies on page. 117
- 3) None of our Group Companies have any interest in the promotion of our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, please see 'Financial Statements, as restated- Annexure XXVI-Restated Statement of Related Parties Transactions' on page 123 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. 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. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last Three Financial Years.

SECTION VII – FINANCIAL INFORMATION
INDEPENDENT AUDITORS REPORT ON CONSOLIDATED RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors
ACS Technologies Limited,
3rd Floor, Plot 797/A, Sai Krishna Building,
Road 36, Jubilee Hills, Hyderabad.

Dear Sir,

1. Report on Restated Consolidated Financial Statements

We have examined the Restated Consolidated Financial Statements of **M/s ACS TECHNOLOGIES LIMITED** (here in after referred as—the Company), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i. Section 26 read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (here in after referred to as the 'Act') and
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (—the Regulation) (SEBI ICDR Regulations) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
- iii. The terms of reference to our engagements with the Company requesting us to examine Consolidated financial statements referred to above and proposed to be included in the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on NSE Emerge (IPO or SMEIPO);
- iv. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (ICAI); and

In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, M/s M M REDDY & CO., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and Our peer Review Certificate will valid till 4th March 2020.

2. The Restated Consolidated Summary Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the period ended December 31, 2018 and which have been approved by the Board of Directors.
3. The Consolidated restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the period ended on December 31, 2018. Further Audited Consolidated financials have been restated to the extent of material adjustment made in restated standalone financials.
4. We have also carried out re-audit of the financial statements for the period ended on December 31, 2018 as required by SEBI regulations.

5. Financial Information as per Audited Financial Statements:

1. We have examined:
 - a. The attached Restated Consolidated Statement of Assets and Liabilities of the company, as at, December 31, 2018. (Annexure I);
 - b. The attached Restated Consolidated Statement of Profits and Losses of the Company for the period ended on December 31, 2018. (Annexure II);

- c. The attached Restated Consolidated Statement of Cash Flows of the Company for the period ended on December 31, 2018. (Annexure III);
 - d. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications/ adjustments / regroupings. (Annexure IV);
- (Collectively hereinafter referred as—Restated Consolidated Financial Statements or Restated Consolidated Summary Statements)
2. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
 - i. The “**Restated Consolidated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at December 31, 2018 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - ii. The “**Restated Consolidated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period ended on December 31, 2018 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - iii. The “**Restated Consolidated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the period ended on December 31, 2018 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the period ended on December 31, 2018, we are of the opinion that **Restated Consolidated Financial Statements or Restated Consolidated Summary Statements** have been made after incorporating:

- a. Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- b. There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c. Adjustments on account of the statutory audit qualifications, if any, have been given effect and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- d. Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- e. There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statements, except mentioned in clause d) above.
- f. There are no revaluation reserves, which need to be disclosed separately in the Restated Consolidated

Financial Statements.

g. The Company has not paid any dividend on its equity shares till December 31, 2018

h. **Other Financial Information:**

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period ended on December 31, 2018:

Restated Consolidated Statement of Share Capital, Reserves and Surplus	Annexure-V
Restated Consolidated Statement of Long Term Borrowings	Annexure-VI
Restated Consolidated Statement of Trade Payables	Annexure-VII
Restated Consolidated Statement of Deferred tax asset/liability	Annexure-VIII
Restated Consolidated Statement of Short term Borrowings	Annexure - IX
Restated Consolidated Statement of Other Current Liabilities	Annexure - X
Restated Consolidated Statement of Short Term provisions	Annexure – XI
Restated Consolidated Statement of Trade Receivables	Annexure-XII
Restated Consolidated Statement of Inventories	Annexure-XIII
Restated Consolidated Statement of Cash & Cash Equivalents	Annexure-XIV
Restated Consolidated Statement of Short term advances	Annexure-XV
Restated Consolidated Statement of Turnover	Annexure-XVI
Restated Consolidated Statement of Other Income	Annexure-XVII
Restated Consolidated Statement of Operating Expenses	Annexure-XVIII
Restated Consolidated Statement of Employee benefits	Annexure-XIX
Restated Consolidated Statement of Finance Costs	Annexure-XX
Restated Consolidated Statement of Other Expenses	Annexure-XXI
Statement of consolidated tax benefit, as Restated	Annexure-XXII
Statement of consolidated accounting ratios, as Restated	Annexure-XXIII
Contingent Liabilities, as restated	Annexure-XXIV
Capitalization Statement	Annexure-XXV

2. The Restated Financial Information contains all the disclosures required by the SEBI, ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
3. We have carried out Re-audit of the consolidated financial statements for the period ended on December 31, 2018 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2018. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2018.
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
5. In our opinion, the above financial information contained in Annexure I to III and Annexure A to J of this report read along with the Restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India(ICAI) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
6. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not

necessarily be same as those appearing in the respective audited financial statements for the relevant years.

7. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

6. Auditor's Responsibility

Our responsibility is to express an opinion on these restated consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

8. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

- a) In the case of Restated Consolidated Statement of Assets and Liabilities of the Company as at December 31,2018;
- b) In the case of the Restated Consolidated Statement of Profit and Loss, of the profit/ (Loss) of the Company for the period ended on December 31,2018; and
- c) In the case of the Restated Consolidated Cash Flow Statement, of the cash flows of the Company for the period ended on December 31, 2018.

For M M REDDY & CO.,
Chartered Accountants
Firm Reg. No. 010371S

CA M. Madhusudhana Reddy
Managing Partner
Membership No. 213077

Place:27.06.2019
Date: Hyderabad

ANNEXURE - I

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs in lakhs	
Particulars	As on 31/12/2018
(1) ASSETS	
Non-current assets	
Fixed Assets	
(a) Property, Plant and Equipment	173.22
(b) Other Intangible assets	359.81
A	533.03
(2) Current assets	
(a) Inventories	1,009.66
(b) Financial Assets	
(i) Trade receivables	1,781.90
(ii) Cash and cash equivalents	133.90
(iii) Bank balances other than (ii) above	-
(iii) Loans	822.42
B	3,747.88
Total Assets(A+B)	4,280.90
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share capital	819.34
(b) Other Equity	698.57
(c) Non Controlling Interest	0.495
A	1,518.40
LIABILITIES	
Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	546.97
(c) Deferred tax liabilities (Net)	28.85
B	575.82
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,062.10
(ii) Trade payables	910.04
(b) Other current liabilities	135.24
(c) Provisions	79.30
(d) Current Tax Liabilities (Net)	-
C	2,186.68
Total Equity and Liabilities	4,280.90

Annexure - II

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs In Lakhs)

Particulars	31/12/2018
Revenue From Operations	4,244.79
Other Income	5.32
Total Income (I+II)	4,250.11
EXPENSES	
Operating Expenses	3,519.96
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-517.83
Employee benefits expense	559.64
Finance costs	138.93
Depreciation and amortization expense	39.89
Other expenses	125.96
Total expenses (III)	3,866.55
Profit/(loss) before exceptional items and tax (I- III)	383.56
Exceptional Items	-
Profit/(loss) before tax (IV-V)	383.56
Tax expense:	
(1) Current tax	79.30
(2) MAT Credit	-
(3) Deferred tax	25.21
Profit (Loss) for the period from continuing operations (VI-VII)	279.05
Profit/(loss) from discontinued operations	-
Tax expense of discontinued operations	-
Profit/(loss) from Discontinued operations (after tax) (IX-X)	-
Profit/(loss) for the period (VIII+XI)	279.05
Other Comprehensive Income	-
A (i) Items that will not be reclassified to profit or loss	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-
B (i) Items that will be reclassified to profit or loss	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-
Total Comprehensive Income for the period (XII+XIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	279.05
Earnings per equity share (for continuing operation):	
(1) Basic	3.41
(2) Diluted	3.41

Annexure - III

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(Rs in lakhs)

Particulars		31/12/2018
A	Cash Flow from Operating Activities	
	Profit/(Loss) Before Tax, as restated	383.56
	Adjustments for :	-
	Depreciation and Amortisation Expense	39.89
	Finance Costs	138.93
	Interest Income	-4.58
	Operating Profit/(Loss) before Working Capital Adjustments	557.81
	Adjustments for :	
	(Increase)/ Decrease in Inventories	-517.83
	(Increase)/ Decrease in Trade receivables	-463.75
	(Increase)/ Decrease in Short Term Loans and Advances	-171.41
	Increase/ (Decrease) in Trade Payables	-18.69
	Increase/ (Decrease) in Other Current Liabilities	-85.34
	Increase/ (Decrease) in Short Term Provisions	-
	Cash Generated from/(Used in) Operations	-699.21
	Direct Taxes Paid	-41.30
	Net Cash Flow from/(Used in) Operating Activities (A)	-740.50
B	Cash Flow from Investing Activities	
	Purchase of Fixed Assets	-138.08
	(Purchase)/Sale of Intangible Assets	-211.55
	Interest Income	4.58
	Net Cash Flow from/(Used in) Investing Activities (B)	-345.06
C	Cash Flow from Financing Activities	
	Increase in Share Capital	620.28
	Increase in Share Premium	90.50
	Proceeds from/(Repayment of) Long Term Borrowings from Banks & Financial Institutions	242.21
	Proceeds from/(Repayment of) Unsecured Loans	-248.15
	Proceeds/(Repayments) from Short Term Borrowings	568.18
	Interest Paid	-138.93
	Net Cash Flow from/(Used in) Financing Activities (C)	1,137.83
	Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	49.02
	Cash and Cash Equivalents at the Beginning of the Period/Year	84.88
	Cash and Cash Equivalents at the End of the Period/Year*	133.90
	*Cash and Cash Equivalents at the End of the Period/Year	-
	Cash On Hand	1.61
	Balances with bank in Current Accounts	18.75
	Balances held as Margin Money against Bank Guarantees	113.54
		133.90

ANNEXURE - IV
RELATED PARTY DISCLOSURE:

a) Key management personnel

Name of Individual	Nature of Relationship
Ashok Kumar Buddharaju	Director
Alokam Pabakara Rao	Director
Alokam Anitha	Director

b) Transactions with related parties (Rs. In Lakhs)

Name of the Party	Status	Transaction Value
Remuneration:		
Ashok Kumar Buddharaju	Director	13.50
Alokam Prabhakara Rao	Director	13.50
Unsecured Loans Given:		
IOTIQ Innovations Pvt Ltd	Subsidiary	2.75
Covidh Technologies Limited	Associate	555.10
Unsecured Loans taken:		
Ashok Kumar Buddharaju	Director	53.34
Alokam Prabhakara Rao	Director	53.34
Investments:		
IOTIQ Innovations Pvt Ltd	Subsidiary	0.51

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS:

A. BACKGROUND

The Company was incorporated as ACS Technologies Private Limited under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 04, 1988 issued by the Registrar of Companies, Hyderabad, Telangana bearing Corporate Identity Number U72200TG1980PLC002703.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as on December 31, 2018, and the Restated Consolidated Summary Statement of Profit and Loss and Restated Summary Consolidated Statements of Cash Flows for the period ended on December 31, 2018 and the annexure thereto (collectively, **the Restated Consolidated Financial Statements or Restated Consolidated Summary Statements**) have been extracted by the management from the Audited Financial Statements of the Company for the period ended on December 31, 2018.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013(—the Act) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. Principles of Consolidation:

The Consolidated restated Financial Statements comprise of the financial statements of ACS Technologies

Limited and its subsidiary M/s IOTIQ INNOVATIONS PRIVATE LIMITED, a subsidiary Company, are consolidated in accordance with Accounting Standard 21 on Consolidated Financial Statements.

The Consolidated Financial Statements relate to ACS Technologies Limited ('The Company') and its Subsidiary have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.
- b. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

3. FIXED ASSETS:

Tangible Assets are stated at cost of acquisition (net of Cenvat and VAT/GST Credit availed) less accumulated depreciation and impairment loss if any, except for free hold land which is carried at revalued amount based on the report from Government approved valuer.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains and Losses arising from disposal of the fixed assets which are carried at cost are recognized in the Statement of Profit & Loss. Individual assets valuing for less than Rs.5,000/- are entirely depreciated in the year of acquisition.

Intangible Assets

Development costs of some new sintered technology applications are capitalized considering the certainty of economic benefits likely to arise from the same over a long period. The said capitalized costs are amortized for the purpose of depreciation / impairment over a period of 36 Months. Cost of development of the intangible assets consists of material cost, manpower cost, plant overheads and depreciation on machinery.

4. DEPRECIATION

Depreciation on Fixed Assets is provided on Written Down Value Basis as per companies Act 2013 over the useful life of assets estimated by Management. Individual lowcost assets acquired for less than Rs.5,000/- are entirely depreciated in the year of acquisition. Intangible assets are amortized over their respective individual estimated lives on Written Down Value Basis, commencing from the date the asset is available to the Company for its use.

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. REVENUE RECOGNITION

- i) Revenue from software development and support services comprises of income from time and material and fixed price contracts.
- ii) Revenue with respect to time and material contracts is recognized as and when related services are performed.
- iii) Revenue from fixed price contract is recognized in accordance with the percentage of completion method.
- iv) Interest income is recognized on time proportion basis.
- v) Other income is accounted for on accrual basis in accordance with Indian Accounting Standards (Ind AS) 18—Revenue Recognition

9. EMPLOYEE BENEFITS

- i) The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is required.
- ii) Employee Benefits such as Salaries, allowances, non-monetary benefits are debited to Profit and Loss account.
- iii) **Provident fund:** The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

10. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- a. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- b. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the

carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

11. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

13. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARSS COVERED IN THE RESTATEDFINANCIALS

There is no change in significant accounting policies.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED CONSOLIDATED FINANCIALS

1. The Consolidated financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.
3. **Employee benefits:**
The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary.

4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – IV of the enclosed financial statements.

6. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the financial statements.

7. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

8. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

9. Amounts in the financial statements

Amounts in the financial statements are reported in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

10. Auditors Qualifications–

Details of Auditors qualifications and their impact on restated financial statement is given below.

- a) Qualification which required adjustment in restated financial statements: None
- b) Qualification which does not require adjustment in restated financial statements: None

For M M REDDY & CO.,
Chartered Accountants
Firm Reg. No. 010371S

Sd/-
CA M. Madhusudhana Reddy
Managing Partner
Membership No. 213077

Place: Hyderabad
Date: 27.06.2019

Annexure – V

Restated Consolidated Statement of Share Capital, Reserves and Surplus

(Rs. in Lakh)

a. Equity Share Capital as on 31 December, 2018					
Balance at the beginning 1st April, 2018		Changes in equity share capital during the year		Balance at the end 31 st December, 2018	
199.06		620.28		819.34	
199.06		620.28		819.34	
b. Other Equity					
Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Other Reserves (General)	Retained Earnings	
Opening Balance	-	91.86	-	237.17	329.03
Transferred in the current year	-	533.08	-	279.05	812.13
Written back in the current year	-	-379.86	-	-	
Appropriations:			-	-	-
Less: Utilized for issue of Bonus Shares	-	-	-	-62.73	-62.73
Balance at the end of the year	-	245.08	-	453.49	698.57

Annexure – VI

Restated Consolidated Statement of Long Term Borrowings

(Rs. In Lakhs)

Particulars	As on 31.12.2018
(a) Term loans (From banks)	
Secured	289.75
	289.75
(b) Long-term maturities of finance lease obligations	
Secured	45.27
Unsecured	105.27
	150.54
(c) Other loans and advances(Related Parties)	
Unsecured	106.68
	106.68
Total	546.97

Annexure – VII

Restated Consolidated Statement of Trade Payables

Particulars	As on 31.12.2018
Trade payables: Short term	
Due to Small, Medium & Micro Enterprises	-
Other than Acceptances	910.04
Total	910.04

Annexure – VIII

Restated Consolidated Statement of Deferred Tax Liability/Asset

Particulars	As on 31.12.2018
Opening Balance for the reporting year	3.64
Current year provision	25.21
Net deferred tax (liability) / asset	28.85

Annexure – IX

Restated Consolidated statement of Short-term Borrowings:

Particulars	As on 31.12.2018
(a) Loans repayable on demand	-
Secured(working capital)	1,062.10
Total	1,062.10

Annexure – X

Restated Consolidated statement of other liabilities:

Particulars	As on 31.12.2018
(a) Employees dues	81.06
(b) Outstanding Expenses	5.63
(c) Other Statutory dues	48.55
Total	135.24

Annexure – XI

Restated consolidated statement of Short Term Provisions:

Particulars	As on 31.12.2018
Provision - Others:	
Provision for tax	79.30
Total	79.30

Annexure – XII

Restated Consolidated Statement of Trade Receivables

Particulars	As on 31.12.2018
Short Term Receivables	-
Unsecured Debts below six months(Considered Good)	1,781.90
Total	1,781.90

Annexure – XIII

Restated Consolidated Statement of Inventories:

Particulars	As on 31.12.2018
A. Finished goods	87.31
B. Work in progress	922
Total	1,009.66

Annexure – XIV

Restated Consolidated Statement of Cash & Cash Equivalents

Particulars	As on 31.12.2018
(a) Cash on hand	1.61
(c) Balances with banks	
(i) In current accounts	18.75
(iii) In Fixed deposit accounts	113.54
Total	133.90

Annexure – XV

Restated Consolidated Statement of Short-Term Advances

Particulars	As on 31.12.2018
(a) Loans and advances to related parties	
Unsecured, considered good	680.94
(b) Loans and advances to employees, Others	
Unsecured, considered good	2.77
(d) Balances with government authorities	
Unsecured, considered good	
(ii)Adv Tax inc. MAT credit receivable	4.52
	688.23
(e) Others (specify nature)	
Advances for Supplies	48.67
Margin money, EMD & Other deposits	56.51

Particulars	As on 31.12.2018
TDS Receivable	17.37
Interest receivable on margin money with banks	11.63
	134.19
Total	822.42

Annexure – XVI

Restated Consolidated Statement of Turnover

Particulars	As on 31.12.2018
Revenue from Operations	4,244.79
Total	4,244.79

Annexure – XVII

Restated Consolidated Statement of Other Income

Particulars	As on 31.12.2018
Interest Income from FD deposit	4.58
Other Income	0.75
Total	5.32

Annexure – XVIII

Restated Consolidated Statement of operating Expenses

Particulars	As on 31.12.2018
Purchases and Direct Expenses	3,441.87
Servicing & Repairs	72.41
Discounts Paid	5.67
Total	3,519.96

Annexure – XIX

Restated Consolidated Statement of Employees Benefit Expenses:

Particulars	As on 31.12.2018
Salaries and Wages	512.67
Contribution to Provident and other Funds	29.95
Sales Incentives	1.94
Staff Welfare Expenses	3.24
Local Conveyance	11.83
Total	559.64

Annexure – XX

Restated Consolidated Statement of Finance Costs:

Particulars	As on 31.12.2018
Bank Charges	15.23
Finance cost	123.70
Total	138.93

Annexure – XXI

Restated Consolidated Statement of Other Expenses

Particulars	As on 31.12.2018
Auditors Remuneration	1.33
Director's Remuneration	27.00
Printing & Stationery	1.70
Postage & Courier	1.89
Telephone & Internet	1.37
Rates & Taxes	0.40
Business Promotion	27.46
Office Maintenance	9.72
Insurance Charges	1.07

Particulars	As on 31.12.2018
Rent	27.97
sales promotion expenses	-
Electricity & Water	2.97
Travelling Expenses	13.22
General expenses	3.68
Filing Fee	2.03
Tender Forms & Registrations	1.22
Audit Expenses	-
Consultancy Charges	2.83
Preliminary Expenses	0.11
Total	125.96

Annexure - XXII

Statement of Consolidated Tax Benefit, As Restated

Particulars	31.12.2018
Tax Rates	
Income Tax Rate (%) (A)	27.55%
-- Minimum Alternative Tax rate (%)	19.06%
Restated Income before tax as per books (A)	383.56
Tax Adjustments	
Permanent Differences	
Audit Fee	1.33
Service Tax previously disallowed	
Service Tax Payable	
Carried forward business Loss	
Carried forward depreciation Loss	
Donation	
Total Permanent Differences (B)	1.33
Timing Differences	
Depreciation as per Income Tax	(140.74)
Depreciation as per Books	39.89
Gratuity Expenses	
VAT Payable/ (Paid)	
Total Timing Differences (C)	(100.85)
Income from Business or Profession (D)=(A+B+C)	284.04
Net Taxable Income	284.04
Tax on Total Income	71.03
MAT on Book Profit	71.09
Tax paid as per MAT or Normal	Normal
Total Tax/ (Refund) as per Return	-

Annexure - XXIII

Statement of Consolidated Accounting Ratios, As Restated

Particulars	31.12.18
Net Profit as restated (₹ in Lacs)	279.05
Net Worth (₹ in Lacs)	1,518.40
Return on Net worth (%)	18.38%
Equity Share at the end of year (in Nos.)	81,93,355
(Face Value ₹10)	10.00
Weighted No. of Equity Shares (Basic)	26,43,613
Weighted No. of Equity Shares (Diluted)	26,43,613
Basic Earnings per Equity Share	10.56
Diluted Earnings per Equity Share	10.56
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	18.53

Annexure - XXIV

Contingent Liabilities , As Restated

Particulars	31.12.2018
Contingent Liabilities	0.00
Total	0.00

Annexure - XXV

Capitalization Statement

Particulars	Pre Issue	Post Issue*
	As at 31.12.18	
Debt :		
Short term debt	1062.10	1062.10
Long term debt	546.97	546.97
Total Debt	1609.07	1609.07
Shareholders Funds		
Equity Share Capital	819.34	1369.34
Reserves and Surplus	698.57	
Less: Revaluation Reserves	-	0.00
Less: Misc. Expenditure	-	0.00
Total Shareholders' Funds	1517.91	4265.93
Long Term Debt/ Shareholders' Funds	0.36	0.13
Total Debt / Shareholders Fund	1.06	0.38

*The post Issue Capitalisation Statement assumed that debt level of the company to be same as of 31.12.2018.

INDEPENDENT AUDITORS REPORT ON STANDALONE RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors
ACS Technologies Limited,
3rd Floor, Plot 797/A, Sai Krishna Building,
Road 36, Jubilee Hills, Hyderabad

Dear Sir,

1. Report on Restated Standalone Financial Statements

We have examined the Restated Standalone Financial Statements of **M/s ACS TECHNOLOGIES LIMITED** (here in after referred as the Company), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act 2013, As amended (here in after referred to as 'the Act') and
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the Regulation) (SEBI ICDR Regulations) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
- iii) The terms of reference to our engagements with the Company requesting us to examine Consolidated financial statements referred to above and proposed to be included in the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on NSE Emerge (SMEIPO);
- iv) The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (ICAI); and

In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, M/s M M REDDY & CO, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and Our peer Review Certificate will valid till 4th March 2020.

2. The Restated Standalone Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the period ended December 31, 2018 and for the financial year ended March 31, 2016, March 31, 2017, and March 31, 2018 and which have been approved by the Board of Directors.
3. Financial Statements for the financial year ended on March 31, 2016, March 31, 2017 and March 2018 has been audited by M/s ARR & Co; Chartered Accountants, accordingly reliance has been placed on the financial information examined by them for the said Years. The Financial Report included for these years is based solely on the report submitted by them. Financial Statements for the interim period ended on December 31, 2018 has been audited by us,
4. We have also carried out re-audit of the financial statements for the year ended on March 31, 2018 as required by SEBI regulations.

5. Financial Information as per Audited Financial Statements:

1. We have examined:
 - a) The attached Restated Standalone Statement of Assets and Liabilities of the company, as at, December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016. (Annexure I);
 - b) The attached Restated Standalone Statement of Profits and Losses of the Company for the period ended

on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017 and March 31, 2016. (Annexure II);

- c) The attached Restated Standalone Statement of Cash Flows of the Company for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017, and March 31, 2016. (Annexure III);
- d) The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications/ adjustments / regroupings. (Annexure IV);

(Collectively here in after referred as Restated Standalone Financial Statements or — Restated Standalone Statements)

2. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:

- I. The **“Restated Standalone Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 are prepared by the Company and approved by the Board of Directors.
- II. The **“Restated Standalone Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company for the for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017, and March 31, 2016 are prepared by the Company and approved by the Board of Directors.
- III. The **“Restated Consolidated Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017, and March 31, 2016 are prepared by the Company and approved by the Board of Directors.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the period ended on December 31, 2018 and for the years ended on March 31, 2018, March 31, 2017, and March 31, 2016 we are of the opinion that – Restated Standalone Financial Statements or — Restated Standalone Statements have been made after incorporating:

- a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- b) There are no Extra-ordinary items that need to be disclosed separately in the Restated Standalone Statements.
- c) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- d) There was no change in accounting policies, which needs to be adjusted in the — Restated Financial Statements.
- e) There are no revaluation reserves, which need to be disclosed separately in the — Restated Standalone Financial Statements.
- f) The Company has not paid any dividend on its equity shares till December 31, 2018

6. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period ended on December 31, 2018 and for the Years ended on March 31, 2018, March 31, 2017 and March 31, 2016:

Restated Standalone Statement of Share Capital, Reserves and Surplus	Annexure-V
Restated Standalone Statement of Long Term and Short-Term Borrowings	Annexure-VI
Restated Standalone Statement of Deferred Tax (Assets) / Liabilities)	Annexure-VII
Restated Standalone Statement of Trade Payables	Annexure-VIII
Restated Standalone Statement of Other Current Liabilities and Short-Term Provisions	Annexure-IX
Restated Standalone Statement of Fixed Assets	Annexure-X
Restated Standalone Statement of Trade Receivables	Annexure-XI
Restated Standalone Statement of Cash & Cash Equivalents	Annexure-XII
Restated Standalone Statement of Short-Term Loans and Advances	Annexure-XIII
Restated Standalone Statement of Turnover	Annexure-XIV
Restated Standalone Statement of Employee Benefits Expenses	Annexure-XV
Restated Standalone Statement of Finance Cost	Annexure-XVI
Restated Standalone Statement of Other Expenses	Annexure-XVII
Restated Standalone Statement of Related Party Transaction	Annexure-XVIII
Statement of Tax Shelter , As Restated	Annexure-XIX
Statement of Accounting Ratios, as Restated	Annexure-XX
Contingent Liabilities, As Restated	Annexure-XXI
Capitalization Statement	Annexure-XXII

- The Restated Financial Information contains all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
- We have carried out Re-audit of the Standalone financial statements for the period ended on December 31, 2018 and for the Year ended on March 31, 2018 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2018. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2018.
- The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
- In our opinion, the above financial information contained in Annexure I to III and Annexure A to O of this report read along with the Restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India(—ICAI) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
- The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this construed as a new opinion on any of the financial statements referred to herein.
- We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

7. Auditor's Responsibility

Our responsibility is to express an opinion on these restated standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

8. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

- a) In the case of Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2016, March 31, 2017, March 31, 2018 and December 31, 2018;
- b) In the case of the Restated Standalone Statement of Profit and Loss, of the profit/ (Loss) of the Company for the Years/Period ended on that date; and
- c) In the case of the Restated Standalone Cash Flow Statement, of the cash flows of the Company for the Years/Period ended on that date.

For M M REDDY & CO.
Chartered Accountants
Firm Reg. No. 010371S

Sd/-
CA M. Madhusudhana Reddy
Managing Partner
Membership No. 213077

Place: Hyderabad
Date: 27.06.2019

Annexure - I
Restated Standalone Statement of Assets and Liabilities

(Rs. In Lakhs)

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(1) ASSETS				
Non-current assets				
Fixed Assets				
(a) Property, Plant and Equipment	173.22	47.47	16.10	21.70
(b) Other Intangible assets	359.81	175.82	-	-
Investments Accounted for using the Equity Method	0.51			
A	533.54	223.29	16.10	21.70
(2) Current assets				
(a) Inventories	1,009.66	491.83	200.13	125.21
(b) Financial Assets				
(i) Trade receivables	1,781.22	1,318.15	546.82	492.67
(ii) Cash and cash equivalents	132.64	84.88	129.40	68.15
(iii) Bank balances other than (ii) above	-	-	-	-
(iii) Loans	824.18	559.80	0.89	1.68
(vi) Others (to be specified)		91.21	158.54	135.43
B	3,747.69	2,545.87	1,035.77	823.13
Total Assets(A+B)	4,281.23	2,769.16	1,051.87	844.84
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	819.34	199.06	101.93	101.93
(b) Other Equity	699.58	329.03	86.58	10.49
A	1,518.91	528.09	188.51	112.42
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	546.97	552.90	249.97	269.83
(c) Deferred tax liabilities (Net)	28.85	3.64	-4.00	-2.51
B	575.82	556.54	245.97	267.32
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,062.10	493.92	41.42	27.77
(ii) Trade payables	909.85	928.73	426.07	320.46
(b) Other current liabilities	135.24	220.58	128.05	97.15
(c) provisions	79.30	41.31	21.85	19.72
(d) Current Tax Liabilities (Net)	-	-	-	-
C	2,186.50	1,684.53	617.39	465.10
Total Equity and Liabilities	4,281.23	2,769.16	1,051.87	844.84

Annexure - II
Restated Standalone Statement of Profit and Loss

(Rs in Lakh)

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Revenue From Operations	4,244.12	4,222.87	3,183.03	2,994.83
Other Income	5.32	91.44	6.78	4.42
Total Income (I+II)	4,249.44	4,314.30	3,189.81	2,999.25
EXPENSES				
Operating Expenses	3,519.28	3,577.88	2,471.51	2,438.16
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-517.82	-291.70	-74.91	-70.96
Employee benefits expense	558.74	588.77	516.75	412.79
Finance costs	138.93	100.24	52.02	36.23
Depreciation and amortization expense	39.89	13.12	8.00	11.43
Other expenses	125.85	130.98	120.00	119.09
Total expenses (III)	3,864.87	4,119.30	3,093.36	2,946.73
Profit/(loss) before exceptional items and tax (I- III)	384.56	195.01	96.44	52.52
Exceptional Items	-	-	-	-
Profit/(loss) before tax (IV-V)	384.56	195.01	96.44	52.52
Tax expense:				
(1) Current tax	79.30	41.30	21.84	19.72
(2) MAT Credit	-	4.52	-	-
(3) Deferred tax	25.21	7.64	(1.49)	(2.51)
Profit (Loss) for the period from continuing operations (VI-VII)	280.05	150.59	76.09	35.31
Profit/(loss) from discontinued operations	-	-	-	-
Tax expense of discontinued operations	-	-	-	-
Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-
Profit/(loss) for the period (VIII+XI)	280.05	150.59	76.09	35.31
Other Comprehensive Income	-	-	-	-
A (i) Items that will not be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Comprehensive Income for the period (XII+XIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	280.05	150.59	76.09	35.31
Earnings per equity share (for continuing operation):				
(1) Basic	3.42	7.57	7.46	3.46
(2) Diluted	3.42	7.57	7.46	3.46

Annexure - III
Restated Standalone Cash Flow Statement

(Rs in Lakh)

PARTICULARS	Dec 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Cash Flow from Operating Activities				
Profit/(Loss) Before Tax, as restated	384.56	195.01	96.44	52.52
Adjustments for :				
Depreciation and Amortisation Expense	39.89	13.12	8.00	11.43
Finance Costs	138.93	100.24	52.02	36.23
Interest Income	-4.58	-6.13	-5.56	-4.42
Operating Profit/(Loss) before Working Capital Adjustments	558.81	302.23	150.91	95.76
Adjustments for :				
(Increase)/ Decrease in Inventories	-517.83	-291.70	-74.91	-70.96
(Increase)/ Decrease in Trade receivables	-463.07	-771.33	-54.15	-252.59
(Increase)/ Decrease in Short Term Loans and Advances	-173.17	-487.07	-22.33	-51.67
Increase/ (Decrease) in Trade Payables	-18.88	502.66	105.61	181.41
Increase/ (Decrease) in Other Current Liabilities	-85.34	92.53	30.90	32.80
Increase/ (Decrease) in Short Term Provisions	-	-	-	-
Cash Generated from/(Used in) Operations	-699.48	-652.68	136.03	-65.25
Direct Taxes Paid	-41.30	-21.84	-19.72	-21.91
Net Cash Flow from/(Used in) Operating Activities (A)	-740.77	-674.52	116.31	-87.16
Cash Flow from Investing Activities				
Purchase of Fixed Assets	-138.08	-44.30	-2.38	-2.43
(Purchase)/Sale of Intangible Assets	-211.55	-176.01	-	-
Interest Income	-0.51			
Net Cash Flow from/(Used in) Investing Activities (B)	4.58	6.13	5.56	4.42
Cash Flow from Financing Activities				
Increase in Share Capital	620.28	97.13	-	-
Increase in Securities Premium	90.50	91.86	-	-
Proceeds from/(Repayment of) Long Term Borrowings from Banks & Financial Institutions	242.21	13.09	-75.35	244.38
Proceeds from/(Repayment of) Unsecured Loans	-248.15	289.84	55.48	-146.47
Proceeds/(Repayments) from Short Term Borrowings	568.18	452.50	13.66	-18.42
Interest Paid	-138.93	-100.24	-52.02	-36.23
Net Cash Flow from/(Used in) Financing Activities (C)	1,134.10	844.18	-58.23	43.26
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	47.76	-44.51	61.25	-41.91
Cash and Cash Equivalents at the Beginning of the Period/Year	84.88	129.40	68.15	110.06
Cash and Cash Equivalents at the End of the Period/Year*	132.64	84.89	129.40	68.15
*Cash and Cash Equivalents at the End of the Period/Year				
Cash On Hand	1.12	0.91	1.62	0.40
Balances with bank in Current Accounts	17.98	14.75	54.69	9.91
Balances held as Margin Money against Bank Guarantees	113.54	69.22	73.09	57.84
TOTAL	132.64	84.88	129.40	68.15

Annexure-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

The Company was incorporated as ACS Technologies Private Limited under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 04, 1988 issued by the Registrar of Companies, Hyderabad, Telangana bearing Corporate Identity Number: U72200TG1980PLC002703

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as on December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, and the Restated STANDALONE Summary Statement of Profit and Loss and Restated Summary Standalone Statements of Cash Flows for the period ended on December 31, 2018 and for the year ended on March 31, 2018, March 31, 2017, and March 31, 2016 and the annexure thereto (collectively, the - **Restated Standalone Financial Statements or Restated Standalone Summary Statements**) have been extracted by the management from the Audited Financial Statements of the Company for the period ended on December 31, 2018 and for the year ended March 31, 2018, March 31, 2017, and March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. FIXED ASSETS

Tangible Assets are stated at cost of acquisition (net of Cenvat and VAT/GST Credit availed) less accumulated depreciation and impairment loss if any, except for free hold land which is carried at revalued amount based on the report from Government approved valuer.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains and Losses arising from disposal of the fixed assets which are carried at cost are recognized in the Statement of Profit & Loss. Individual assets valuing for less than Rs.5,000/- are entirely depreciated in the year of acquisition.

Intangible Assets

Development costs of some new sintered technology applications are capitalized considering the certainty of economic benefits likely to arise from the same over a long period. The said capitalized costs are amortized for the purpose of depreciation / impairment over a period of 36 Months. Cost of development of the intangible assets consists of material cost, manpower cost, plant overheads and depreciation on machinery.

3. DEPRECIATION

Depreciation on Fixed Assets is provided on Written Down Value Basis as per companies Act 2013 over the useful life of assets estimated by Management. Individual lowcost assets acquired for less than Rs.5,000/- are entirely depreciated in the year of acquisition. Intangible assets are amortized over their respective individual estimated lives on Written Down Value Basis, commencing from the date the asset is available to the Company for its use.

4. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the

arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

5. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

6. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

7. REVENUE RECOGNITION

- i) Revenue from software development and support services comprises of income from time and material and fixed price contracts.
- ii) Revenue with respect to time and material contracts is recognized as and when related services are performed.
- iii) Revenue from fixed price contract is recognized in accordance with the percentage of completion method.
- iv) Interest income is recognized on time proportion basis.
- v) Other income is accounted for on accrual basis in accordance with Indian Accounting Standards (Ind AS) 18—Revenue Recognition.

8. EMPLOYEE BENEFITS

- i) The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is required.
- ii) Employee Benefits such as Salaries, allowances, non monetary benefits are debited to Profit and Loss account.
- iii) Provident fund: The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

9. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- (i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

- (ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

10. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- i. Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- ii. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- iii. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

11. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

12. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARSS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED STANDALONE FINANCIALS

1. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.
2. **Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary.

3. Provisions, Contingent Liabilities and Contingent Assets (AS29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period.

4. Related Party Disclosure (AS18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – N of the enclosed financial statements.

5. Accounting For Taxes on Income (AS22)

Deferred Tax liability/Asset in view of Accounting Standard–22 — accounting for Taxes on Income as at the end of the year/period is reported as per methods specified in Accounting standard.

6. Earnings Per Share (AS20):

Earnings per Share have been calculated and are already reported in the enclosed financial statements.

7. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

8. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

9. Amounts in the financial statements

Amounts in the financial statements are reported in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

10. Auditors Qualifications:

Details of Auditors qualifications and their impact on restated financial statement is given below.

- a) Qualification which required adjustment in restated financial statements : None
- b) Qualification which does not require adjustment in restated financial statements – Details given below.

None

For M M REDDY & CO.,
Chartered Accountants
Firm Reg. No. 010371S

CA M. Madhusudhana Reddy
Managing Partner
Membership No. 213077

Place: Hyderabad
Date: 27.06.2019

Annexure – V

Restated Standalone Statement of Share Capital, Reserves and Surplus;

Share Capital Particulars	As at							
	December 31, 2018		March 31, 2018		March 31, 2017		March 31, 2016	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
Authorised								
Equity shares of Rs 10/- each	120.00	1,200.00	20.00	200.00	11.00	110.00	11.00	110.00
Issued, Subscribed and Paidup								
Equity shares of Rs 10/- each	81.93	819.34	19.91	199.06	10.19	101.93	10.19	101.93
(a) Reconciliation of the shares and amount outstanding at the beginning and at the end of the year	December 31, 2018		March 31, 2018		March 31, 2017		March 31, 2016	
Equity shares	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	19.91	199.06	10.19	101.93	10.19	101.93	10.19	101.93
Issued during the year	62.03	620.28	9.71	97.13	-	-	-	-
Outstanding, at the end of the year	81.93	819.34	19.91	199.06	10.19	101.93	10.19	101.93
(b) Terms/ rights attached to equity shares								
The Company has only one class of equity shares having par value of Rs.10/- per share. Each share holder of equity shares is entitled to one vote per share.								
(c) Details of shareholders holding more than 5% shares in the Company	December 31, 2018		March 31, 2018		March 31, 2017		March 31, 2016	
	No's	% holding	No's	% holding	No's	% holding	No's	% holding
Equity shares								
Ashok Kumar Buddharaju	16.47	20.10%	6.52	32.76%	2.36	23.13%	2.36	23.13%
Ramadevi Buddharaju	12.85	15.69%	7.47	37.51%	7.47	73.24%	7.47	73.24%
Prabhakara Rao Alokam	19.61	23.94%	5.67	28.50%	-	0.00%	-	0.00%
Anitha Alokam	8.91	10.88%	0.07	0.33%	-	0.00%	-	0.00%
Coleta Software Solutions Pvt Ltd	7.00	8.54%	-	0.00%	-	0.00%	-	0.00%
Snigdha B	6.08	7.42%	0.07	0.36%	-	0.00%	-	0.00%
Mahesh Kumar B	4.13	5.04%	0.08	0.38%	-	0.00%	-	0.00%
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares								
(D) Details of Shares allotted for consideration other than cash	As at December 31,2018		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
Fully paid up no.of equity shares by way of bonus shares and conversion of unsecured loans	62.03		9.71		-		-	

8. Reserves & Surplus

Particulars	As at December 31,2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a) Securities Premium Reserve				
Opening Balance	91.86	-	-	-
Transferred in the current year	533.08	91.86	-	-
written back in the current year	(379.86)	-	-	-
Closing Balance	245.08	91.86	-	-
b) Surplus/(deficit) in Statement of Profit and Loss				
Opening Balance	237.17	86.58	10.49	(24.82)
Add: Net Profit / (Loss) after tax from Statement of Profit & Loss	280.05	150.59	76.09	35.31
Less: Income Tax of earlier years	-	-	-	-
Amount available for appropriations	517.22	237.17	86.58	10.49
Appropriations:				
Less: Utilised for issue of Bonus Shares	-62.73	-	-	-
Balance at the end of the year	454.50	237.17	86.58	10.49
Total (a+b)	699.58	329.03	86.58	10.49

Annexure – VI

Restated Standalone Statement of Long term and Short Term Borrowings

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(a) Term loans (From banks)				
Secured	289.75	-	-	-
	289.75	-	-	-
(b) Long-term maturities of finance lease obligations				
Secured	45.27	20.03	1.13	4.60
Unsecured	105.27	178.05	183.85	255.73
	150.54	198.08	184.98	260.33
(c) Other loans and advances(Related Parties)				
Unsecured	106.68	354.83	64.98	9.50
	106.68	354.83	64.98	9.50
Total	546.97	552.90	249.97	269.83

Annexure – VII

Restated Standalone Statement of Deferred Tax (Assets) / Liabilities

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Deferred Tax Liability(Net)				
Opening Balance for the reporting year	3.64	-4.00	-2.51	-
Current year provision	25.21	7.64	-1.49	-2.51
Net deferred tax (liability) / asset	28.85	3.64	-4.00	-2.51

Annexure – VIII

Restated Standalone Statement of Trade Payables

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Trade payables: Short term				
Due to Small, Medium & Micro Enterprises	-	-	-	-
Other than above	909.85	928.73	426.07	320.46
Total	909.85	928.73	426.07	320.46

Annexure – IX

Restated Standalone Statement of Other Current Liabilities and Short Term Provisions

Other Current Liabilities				
Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(a) Employees dues	81.06	116.96	46.44	30.86
(b) Outstanding Expenses	5.63	5.15	3.56	2.97

Other Current Liabilities				
Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(c) Other Statutory dues	48.55	98.47	78.05	63.32
Total	135.24	220.58	128.05	97.15

Short Term Provisions				
Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Provision - Others:				
Provision for tax	79.30	41.30	21.84	19.72
Total	79.30	41.30	21.84	19.72

Annexure – X
Restated Standalone Statement of Fixed Assets

1. Property Plant & Equipment as on 31.12.2018							
Tangible assets	Gross block						
	Balance as at 1 April, 2018	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 December, 2018
Computers	75.51	86.59	-	-	-	-	162.09
Computer test equipment	5.69	-	-	-	-	-	5.69
Electrical Installations	11.93	5.26	-	-	-	-	17.18
Furnitures and fixtures	26.69	-	-	-	-	-	26.69
Office Equipment	18.21	2.24	-	-	-	-	20.45
Vehicles	47.03	44.00	-	-	-	-	91.03
Total	185.06	138.08	-	-	-	-	323.14
Tangible assets	Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2018	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 December, 2018	Balance as at 31 December, 2018	Balance as at 31 March, 2018
Computers	73.39	2.90	-	-	76.29	85.81	2.12
Computer test equipment	5.57	0.03	-	-	5.60	0.09	0.11
Electrical Installations	4.62	1.77	-	-	6.39	10.80	7.31
Furnitures and fixtures	20.83	0.43	-	-	21.26	5.43	5.86
Office Equipment	17.08	0.35	-	-	17.44	3.02	1.13
Vehicles	16.10	6.85	-	-	22.95	68.08	30.93
Total	137.59	12.33	-	-	149.92	173.22	47.47
1. Property Plant & Equipment 2018							
Tangible assets	Gross block						
	Balance as at 1 April, 2017	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2018
Computers	73.23	2.28	-	-	-	-	75.51

Computer test equipment	5.67	0.01	-	-	-	-	5.69
Electrical Installations	4.46	7.47	-	-	-	-	11.93
Furnitures and fixtures	24.38	2.32	-	-	-	-	26.69
Office Equipment	18.00	0.21	-	-	-	-	18.21
Vehicles	15.02	32.01	-	-	-	-	47.03
Total	140.76	44.30	-	-	-	-	185.06
Tangible assets	Accumulated depreciation and impairment					Net block	
	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March, 2018	Balance as at 31 March, 2018	Balance as at 31 March, 2017
Computers	72.45	0.94	-	-	73.39	2.12	0.78
Computer test equipment	5.39	0.18	-	-	5.57	0.11	0.28
Electrical Installations	3.91	0.70	-	-	4.62	7.31	0.55
Furnitures and fixtures	19.09	1.74	-	-	20.83	5.86	5.29
Office Equipment	16.24	0.85	-	-	17.08	1.13	1.76
Vehicles	7.58	8.52	-	-	16.10	30.93	7.44
Total	124.66	12.93	-	-	137.59	47.47	16.10
1. Property Plant & Equipment 2017							
Tangible assets	Gross block						
	Balance as at 1 April, 2016	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2017
Computers	72.91	0.32	-	-	-	-	73.23
Computer test equipment	5.67	-	-	-	-	-	5.67
Electrical Installations	4.46	-	-	-	-	-	4.46
Furnitures and fixtures	24.38	-	-	-	-	-	24.38
Office Equipment	18.00	-	-	-	-	-	18.00
Vehicles	12.96	2.06	-	-	-	-	15.02
Total	138.37	2.38	-	-	-	-	140.76
Tangible assets	Accumulated depreciation and impairment					Net block	
	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
Computers	71.46	0.99	-	-	72.45	0.78	1.44
Computer test equipment	4.92	0.48	-	-	5.39	0.28	0.76
Electrical	3.72	0.19	-	-	3.91	0.55	0.74

Installations							
Furnitures and fixtures	17.24	1.85	-	-	19.09	5.29	7.13
Office Equipment	14.79	1.44	-	-	16.24	1.76	3.21
Vehicles	4.53	3.05	-	-	7.58	7.44	8.43
Total	116.66	8.00	-	-	124.66	16.10	21.70

1. Property Plant & Equipment 2016

Tangible assets	Gross block						
	Balance as at 1 April, 2015	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2016
Computers	72.79	0.12	-	-	-	-	72.91
Computer test equipment	5.14	0.54	-	-	-	-	5.67
Electrical Installations	3.68	0.78	-	-	-	-	4.46
Furnitures and fixtures	23.73	0.64	-	-	-	-	24.38
Office Equipment	18.00	-	-	-	-	-	18.00
Vehicles	12.61	0.35	-	-	-	-	12.96
Total	135.95	2.43	-	-	-	-	138.37
Tangible assets	Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2015	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March, 2016	Balance as at 31 March, 2016	Balance as at 31 March, 2015
Computers	69.15	2.31	-	-	71.47	1.44	3.64
Computer test equipment	4.88	0.04	-	-	4.92	0.76	0.26
Electrical Installations	3.50	0.22	-	-	3.72	0.74	0.18
Furnitures and fixtures	14.81	2.44	-	-	17.25	7.13	8.92
Office Equipment	12.16	2.63	-	-	14.79	3.21	5.84
Vehicles	0.74	3.79	-	-	4.53	8.43	11.87
Total	105.24	11.43	-	-	116.67	21.70	30.71

Annexure – XI

Restated Standalone Statement of Trade Receivables

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Short Term Receivables				
Unsecured Debts below six months (Considered Good)	1,781.22	1,318.15	546.82	492.67
Total	1,781.22	1,318.15	546.82	492.67

Annexure – XII

Restated Standalone Statement of Cash & Cash Equivalents

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(a) Cash on hand	1.12	0.91	1.62	0.40

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(c) Balances with banks				
(i) In current accounts	17.98	14.75	54.69	9.91
(iii) In Fixed deposit accounts	113.54	69.22	73.09	57.84
Total	132.64	84.88	129.40	68.15
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	132.64	84.88	129.40	68.15

ANNEXURE – XIII

RESTATED STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
(a) Loans and advances to related parties				
Unsecured, considered good	680.94	555.10	-	-
(b) Loans and advances to employees, Others				
Unsecured, considered good	2.77	0.18	0.89	1.68
(d) Balances with government authorities				
(i) Unsecured, considered good				
(ii) Adv Tax inc. Mat credit receivable	4.52	4.52	-	
	688.23	559.80	0.89	1.68
(e) Others (specify nature)				
Unsecured, considered good				
Advances for Supplies	50.43	36.12	83.17	53.67
Margin money, EMD & Other deposits	56.51	18.89	26.15	27.15
TDS Receivable	17.37	26.58	41.59	50.82
Interest receivable on margin money with banks	11.63	9.62	7.62	3.79
	135.95	91.21	158.54	135.43
Total	824.18	651.01	159.43	137.10

Annexure – XIV

Restated Standalone Statement of Turnover

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Revenue from Operations	4,244.12	4,222.87	3,183.03	2,994.83
Total	4,244.12	4,222.87	3,183.03	2,994.83

Annexure – XV

Restated Standalone Statement of Employee Benefits Expense

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Salaries and Wages	511.78	487.93	454.72	352.53
Contribution to Provident and other Funds	29.95	36.29	26.01	22.97
Sales Incentives	1.94	2.88	33.33	25.86
Staff Welfare Expenses	3.24	3.67	2.69	11.43
Directors remuneration		58.00		
Local conveyance	11.83	-	-	-
Total	558.74	588.77	516.75	412.79

Annexure – XVI

Restated Standalone Statement of Finance Cost

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Bank Charges	15.23	0.75	0.71	0.14
Finance cost	123.70	80.40	48.55	24.91
Other Financial charges	-	19.09	2.76	11.18
Total	138.93	100.24	52.02	36.23

Annexure – XVII

Restated Standalone Statement of Other Expenses

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Auditors Remuneration	1.33	1.77	0.30	0.30
Directors Remuneration	27.00			
Printing & Stationery	1.70	2.65	2.22	2.48
Postage & Courier	1.89	3.31	2.64	1.91
Telephone & Internet	1.37	2.13	1.62	1.89
Rates & Taxes	0.40	2.63	2.87	16.39
Business Promotion	27.46	29.42	36.62	24.95
Office Maintenance	9.72	5.52	6.25	10.86
Insurance Charges	1.07	4.17	2.68	1.74
Rent	27.97	20.39	9.06	7.54
sales promotion expenses	-	0.25	1.09	1.25
Electricity & Water	2.97	2.05	0.45	1.37
Travelling Expenses	13.22	33.25	27.91	26.42
General expenses	3.68	11.66	12.69	5.05
Filing Fee	2.03	1.53	-	-
Tender Forms & Registrations	1.22	1.70	1.77	0.50
Audit Expenses	-	-	0.10	0.20
Consultancy Charges	2.83	8.55	11.73	16.26
Total	125.85	130.98	120.00	119.09

Annexure – XVIII

Restated Standalone Statement of Related Party Transactions

a) Key management personnel

Name of Individual	Nature of Relationship
Ashok Kumar Buddharaju	Director
Alokam Pabakara Rao	Director
Alokam Anitha	Director

b) Transaction with Related Parties

Particulars	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Directors Remuneration	27.00	18.00	Nil	Nil
Unsecured loans taken:				
Ashok Kumar Buddharaju (Director)	53.34	22.45	64.98	Nil
Alokam Prabhakara Rao (Director)	53.34	332.38	Nil	Nil
Unsecured loans given:				
IOTIQ Innovations Pvt Ltd	2.75	-	-	-
Covidh Technologies Ltd	555.10	555.10	-	-
Investments:				
IOTIQ Innovations Pvt Ltd	0.51	-	-	-

Annexure - XIX

Statement of Tax Benefit, As Restated

Particulars	As At			
	31.12.18	31.03.18	31.03.17	31.03.16
Tax Rates				
Income Tax Rate (%) (A)	27.55%	30.90%	30.90%	30.90%
-- Minimum Alternative Tax rate (%)	19.06%	19.06%	20.39%	19.06%
Restated Income before tax as per books (A)	384.56	195.01	96.44	52.52
Tax Adjustments				
Permanent Differences				
Audit Fee	1.33	1.77		
Service Tax previously disallowed		(40.00)	(43.00)	
Service Tax Payable			12.42	55.91

Particulars	As At			
	31.12.18	31.03.18	31.03.17	31.03.16
Carried forward business Loss				(34.30)
Carried forward depreciation Loss				(3.81)
Donation				
Total Permanent Differences (B)	1.33	-38.23	(30.58)	17.80
Timing Differences				
Depreciation as per Income Tax	(140.74)	(43.66)	(3.19)	(3.30)
Depreciation as per Books	39.89	13.12	8.00	11.42
Gratuity Expenses				
VAT Payable/ (Paid)				
Total Timing Differences (C)	(100.85)	-30.54	4.81	8.12
Income from Business or Profession (D)=(A+B+C)	285.04	126.24	70.67	78.44
Net Taxable Income	285.04	126.24	70.67	78.44
Tax on Total Income	71.26	31.56	21.20	23.54
MAT on Book Profit	71.14	36.07	17.84	6.14
Tax paid as per MAT or Normal	Normal	MAT	Refund	Refund
Total Tax/ (Refund) as per Return	-	41.42	(0.04)	(00.14)

Annexure - XX

Statement of Accounting Ratios, As Restated

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Net Profit as restated (₹ in Lacs)	280.05	150.59	76.09	35.31
Net Worth (₹ in Lacs)	1,518.91	528.09	188.51	112.42
Return on Net worth (%)	18.44%	28.52%	40.36%	31.41%
Equity Share at the end of year (in Nos.)	81,93,355	19,90,568	10,19,301	10,19,301
(Face Value ₹10)	10.00	10.00	10.00	10.00
Weighted No. of Equity Shares (Basic)	26,43,613	11,16,228	10,19,301	10,19,301
Weighted No. of Equity Shares (Diluted)	26,43,613	11,16,228	10,19,301	10,19,301
Basic Earnings per Equity Share	10.59	13.49	7.46	3.46
Diluted Earnings per Equity Share	10.59	13.49	7.46	3.46
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	18.54	26.53	18.49	11.03

Annexure - XXI

Contingent Liabilities, As Restated

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Contingent Liabilities	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Annexure - XXII

Capitalization Statement

Particulars	Pre Issue As at 31.12.18	Post Issue*
Debt :		
Short term debt	1062.10	1062.10
Long term debt	546.97	546.97
Total Debt	1609.07	1609.07
Shareholders Funds		
Equity Share Capital	819.34	1369.34
Reserves and Surplus	699.58	[•]
Less: Revaluation Reserves	-	0.00
Less: Misc. Expenditure	-	0.00
Total Shareholders' Funds	1518.92	[•]
Long Term Debt/ Shareholders' Funds	0.36	0.13
Total Debt / Shareholders Fund	1.06	0.38

*The post Issue Capitalisation Statement assumed that debt level of the company to be same as of 31.12.2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and the 9 month period ending 31st December 2018, years ended March 31, 2018, 2017 and 2016 prepared in accordance with the Companies Act, 1956 and Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI(ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in 'Financial Statements' beginning on page 123 of Draft Red Herring Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in 'Risk Factors' and 'Forward-Looking Statements' beginning on pages no's 18 and 12 respectively of Draft Red Herring Prospectus.

Business Overview

Our Company is a rapidly growing Information Technology company that provides IT Infrastructure Management Services, IT Security Solutions, Digital Signage, Smart Technology Solutions, Software consulting, development and IT-enabled services to diverse clientele. Our Company was established in the year 1980 by Technocrats with numerous years of experience in varied industries.

Our Company has been highly focused on providing superior quality services to its Customers. Our Company is certified and endorsed with ISO 20001:2011, ISO 27000 and ISO 9001:2015 meeting all Quality Standards required for IT Development, IT Security and IT Services.

For over 3 decades, Our Company has been providing various IT Solutions including IT Infrastructure Management, System Integration, IT Security solutions, Custom Business Application development, Software Support, Biometric and Mobile solutions.

Our Company believes in the successful blend of domain knowledge; implementation skills and human perception that profiles a front-runner in the highly competitive world of Information Technology

Summary of the Results of Operation

Particulars	31-03-2018	%	31-03-2017	%	31-03-2016	%
Revenue From Operations	4,222.87	97.88%	3,183.03	99.79%	2,994.83	99.85%
Other Income	91.44	2.12%	6.78	0.21%	4.42	0.15%
Total Income (I+II)	4,314.30	100.00	3,189.81	100.00	2,999.25	100.00
Expenses						
Operating Expenses	3,577.88	82.93%	2,471.51	77.48%	2,438.16	81.29%
Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	-291.7	-6.76%	-74.91	-2.35%	-70.96	-2.37%
Employee benefits expense	588.77	13.65%	516.75	16.20%	412.79	13.76%
Finance costs	100.24	2.32%	52.02	1.63%	36.23	1.21%
Depreciation and amortization expense	13.12	0.30%	8	0.25%	11.43	0.38%
Other expenses	130.98	3.04%	120.00	3.76%	119.09	3.97%
Total expenses (III)	4,119.30	95.48%	3,093.36	96.98%	2,946.73	98.25%
Profit/(loss) before	195.01	4.52%	96.44	3.02%	52.52	1.75%

Particulars	31-03-2018	%	31-03-2017	%	31-03-2016	%
exceptional items and tax (I- III)						
Exceptional Items	-		-		-	
Profit/(loss) before tax (IV-V)	195.01	4.52%	96.44	3.02%	52.52	1.75%
Tax expense:		0.00%		0.00%		0.00%
(1) Current tax	41.3	0.96%	21.84	0.68%	19.72	0.66%
(2) MAT Credit	4.52	0.10%	-		-	
(3) Deferred tax	7.64	0.18%	-1.49	-0.05%	-2.51	-0.08%
Profit (Loss) for the period from continuing operations (VI-VII)	150.59	3.49%	76.09	2.39%	35.31	1.18%
Profit/(loss) from discontinued operations	-		-		-	
Tax expense of discontinued operations	-		-		-	
Profit/(loss) from Discontinued operations (after tax) (X-XI)	-		-		-	
Profit/(loss) for the period (VIII+XI)	150.59	3.49%	76.09	2.39%	35.31	1.18%
Other Comprehensive Income	-		-		-	
A (i) Items that will not be reclassified to profit or loss	-		-		-	
(ii) Income tax relating to items that will not be reclassified to profit or loss	-		-		-	
B (i) Items that will be reclassified to profit or loss	-		-		-	
(ii) Income tax relating to items that will be reclassified to profit or loss	-		-		-	
Total Comprehensive Income for the period (XII+XIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	150.59	3.49%	76.09	2.39%	35.31	1.18%
Earnings per equity share (for continuing operation):						
(1) Basic	7.57		7.46		3.46	
(2) Diluted	7.57		7.46		3.46	

Comparison of Financial Year ended March 31, 2018 With Financial Year ended March 31, 2017

INCOME

Income from Operations

The operating income of the Company for the year ending March 31, 2018 is ₹ 4,222.87 Lakhs as compared to ₹ 3,183.03 Lakhs for the year ending March 31, 2017, showing increase of 32.67% and such is increase due to Company's foray into security surveillance and maintenance business.

Other Income

Our other income increased from ₹6.78 Lakhs to ₹91.44 Lakhs. This was primarily due to recognition of nonrecurring scrap sales of servers and software in other income.

Operating Expenses:

There was an increase in operating expenses from ₹ 2,471.51 Lakhs to ₹ 3,577.88 Lakhs, which was due to increase in consumption of materials and supplies.

Employee Benefits Cost

There is an increase in Employee Benefit Cost by 13.94% in the financial year 2017-18 from ₹ 516.75 Lakhs to ₹588.77 Lakhs due to increase in number of employees.

Depreciation and Amortisation

There has been an increase in Depreciation Cost in the financial year 2017-18 due to addition in fixed assets during FY 2017-18.

Finance Charges

Our finance cost which consists of interest, processing fees and charges increased from ₹ 52.02 Lakhs to ₹ 100.24 Lakhs due to interest on borrowings from working capital loan and processing fee on enhanced working capital limits.

Profit before Tax

Profit before tax increased by 2.02 times from ₹ 195.01 Lakhs in financial year 2016-17 to ₹ 96.44 Lakh in financial year 2017-18 due to increase in turnover and margins.

Provision for taxes and Profit After Tax.

Our profit after tax increased by 1.98 times from ₹76.09 Lakhs in financial year 2016-17 to ₹150.59 Lakhs in financial year 2017-18 due to increase in turnover and margins.

Comparison of Financial Year ended March 31, 2017 With Financial Year ended March 31, 2016

INCOME

Income from Operations

The operating income of the Company for the year ending March 31, 2017 is ₹ 3,183.03 Lakhs as compared to ₹ 2,994.83 Lakhs for the year ending March 31, 2016, showing increase of 6.28% and such increase is normal in the current line of activities.

Other Income

Our other income increased from ₹4.42 Lakhs in FY 2015-16 to ₹6.78 Lakhs in FY 2016-17. The increase of other income is in the normal course of business and is received from interest on fixed deposits.

Operating Expenses:

There was an increase in operating expenses from ₹ 2,438.16 Lakhs to ₹ 2,471.51 Lakhs, which was in consonance with the increase in turnover

Employee Benefits Cost

There is an increase in Employee Benefit Cost by 25.18% in the financial year 2016-17 from ₹ 412.79 Lakhs to ₹ 516.75 Lakhs due to increase in number of employees.

Depreciation and Amortization

There has been an increase in Depreciation Cost in the financial year 2016-17 due to addition in fixed assets during the financial year.

Finance Charges

Our finance cost which consists of interest, processing fees and charges increased from ₹ 36.23 Lakhs to ₹ 52.02 Lakhs due to interest on borrowings from working capital loan.

Profit Before Tax

Profit before tax increased by 1.84 times from ₹ 52.52 Lakhs in financial year 2015-16 to ₹ 96.44 Lakh in financial year 2016-17 due to increase in turnover and margins.

Provision for taxes and Profit after Tax.

Our profit after tax increased by 2.15 times from ₹ 35.31 Lakhs in financial year 2015-16 to ₹76.09 Lakhs in financial year 2016-17 due to increase in turnover and margins.

FINANCIAL INDEBTNESS

Secured Borrowings

The Details of indebtedness of our Company as at March 31, 2019 is provided below:

Sr. No.	Name of Bank	Facility Type	Facility Key Terms			Outstanding as on March 31, 2019
			Loan Amount	Rate of Interest	Tenure/ Repayment Terms	
1.	Edelweiss Retail Finance Limited	BL	1,500,000	18.50%	24 Months	73,908
2	Tata Capital Financials Services Ltd	BL	3,018,842	17.78%	24 Months	149,821
3.	Shriram City Union Finance Limited	BL	2,007,184	20.00%	24 Months	199,300
4.	Fullerton India Credit Company Limited	BL	2,059,729	19.00%	24 Months	203,403
5.	Aditya Birla Finance Limited	BL	2,809,000	19.50%	36 Months	1,450,438
6.	HDFC Bank Limited	BL	4,897,000	13.00%	36 Months	2,273,046
7.	Tata Capital Financials Services Ltd	Auto Loan	3,500,000	9.25%	36 Months	2,552,286
8.	Standard Chartered Bank	BL	5,000,000	16.50%	36 Months	3,723,655
9.	Kotak Mahindra Bank Limited	Auto Loan	2,255,000	20.00%	60 Months	1,601,879
10.	HDFC Bank Limited	Bank Guarantee	20,000,000	0.00%	12 Months	18,145,026
11.	HDFC Bank Limited	Term Loan	29,927,973	10.05%	60 Months	27,454,311
12.	HDFC Bank Limited	Cash Credit	100,000,000	9.95%	12 Months	97,676,387

SECTION VIII – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, its Subsidiary, Directors or Promoters.

Our Board, in its meeting held on February 4, 2019 has determined that outstanding legal proceedings involving the Company, its Subsidiary, Directors and Promoters where:

- a. the aggregate amount involved in such individual litigation exceeds 5% of the consolidated profit after tax of the Company, as per the last audited financial statements or Rs. 25,00,000/-; whichever is higher; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually
- b. may not exceed the abovementioned thresholds, if similar litigations put together collectively exceed 5% of the consolidated profit after tax of the Company or Rs. 25,00,000/-, whichever is higher;
- c. any such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company's business, operations, prospects or reputation

shall be considered as ("**Material Litigation**").

B. (i) pending proceedings initiated against our Company for economic offences; C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to micro, small and medium enterprises and other creditors.

Our Board, in its meeting held on February 4, 2019 determined that outstanding dues to creditors in excess of the threshold limit of Rs. 1,00,000/- and the credit period of up to 45 days as applicable in the case of MSME and 10% of our Company's trade payables as per last audited financial statements in the case of other outstanding creditors shall be considered as material dues ("**Material Dues**"). Details of outstanding dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at www.acstechnologies.co.in.

Our Company, its Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

A. LITIGATION INVOLVING OUR COMPANY

1. Litigation against our Company

1.1. Civil

NIL

1.2. Criminal

NIL

1.2.1. Direct Tax Proceedings

NIL

1.2.2. Indirect Tax Proceedings

NIL

2. Litigation by our Company

2.1. Civil

NIL

2.2. Criminal

NIL

2.3. Taxation

2.3.1. Direct Tax Proceedings

NIL

2.3.2. Indirect Tax Proceedings

NIL

B. LITIGATION INVOLVING THE DIRECTORS (*Other than Promoters*)

1. Litigation against our Directors

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

2.3.1 Direct Tax Proceedings

i. Mr. Chalagalla Venkata Satyanarayana Murthy

Sr. No.	Particulars	Assessment Year
1.	Notice dated March 15, 2003 under Section 143(1)(a) of the IT Act has been received for an outstanding tax demand of Rs. 3,782/-.	2001-02

ii. Mr. Indraganty Venkateswara Sarma

Sr. No.	Particulars	Assessment Year
1.	Assessment proceedings under Section 143(1)(a) of the IT Act is pending.	2017-18
2.	Notice dated February 14, 2019 under Section 139(9) of the IT Act has been received.	2018-19

2.3.2 Indirect Tax Proceedings

NIL

2. Litigation by our Directors

2.1. Civil

NIL

2.2. Criminal

NIL

2.3. Taxation

2.3.1. Direct Tax Proceedings

NIL

2.3.2. Indirect Tax Proceedings

NIL

C. LITIGATION INVOLVING OUR PROMOTERS

1. Litigation against Promoters

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings

i. Mr. Ashok Kumar Buddharaju

Sr.No.	Particulars	Assessment Year
1.	Notice dated March 28, 2012 under Section 143(1)(a) of the IT Act has been received for an outstanding tax demand of Rs. 4,43,910/-.	2009-10

ii. Mr. Prabhakara Rao Alokam

Sr. No.	Particulars	Assessment Year
3.	Assessment proceedings under Section 143(1)(a) of the IT Act is pending.	2017-18

1.3.2. Indirect Tax Proceedings

NIL

2. Litigation by Promoters

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings

NIL

1.3.2. Indirect Tax Proceedings

NIL

D. LITIGATION INVOLVING OUR SUBSIDIARY

1. Litigation against Subsidiary

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings

NIL

1.3.2. Indirect Tax Proceedings

NIL

2. Litigation by Subsidiary

1.4. Civil

NIL

1.5. Criminal

NIL

1.6. Taxation

1.6.1. Direct Tax Proceedings

NIL

1.6.2. Indirect Tax Proceedings

NIL

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

Our Company has no outstanding defaults in relation to statutory dues consisting of service tax, value added tax, professional tax, employee state insurance, provident fund and tax deducted, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

PAST CASES WHERE PENALTIES WERE IMPOSED AGAINST PROMOTERS

Save and except as stated below, there are no disciplinary actions pending or taken by SEBI or the stock exchange(s) against the Promoters during the last five years immediately preceding the year of the issue of the Draft Red Herring Prospectus:

(i) Prabhakara Rao Alokam

Adjudicating Officer, SEBI had vide its order (no. SP/AO/02/2018) dated November 29, 2018 passed in the matter of Covidh Technologies Limited imposed a monetary penalty of Rs. 4,00,000/- under the provisions of section 15A(b) of the SEBI Act against Mr. Prabhakara Alokam for failure in making timely disclosure under regulation 13(4) and 13(4A) read with 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and imposed a penalty.

(ii) Anitha Alokam

Adjudicating Officer, SEBI had vide its order (no. SS/AKS/17/27/2018-19) dated July 31, 2018 passed in the matter of Covidh Technologies Limited imposed a monetary penalty of Rs. 50,000/- under the provisions of section 15A(b) of the SEBI Act against Mrs. Anitha Alokam for failure in making timely disclosure under regulation 13(4A) read with 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and imposed a penalty.

PAST CASES WHERE PENALTIES WERE IMPOSED AGAINST OUR COMPANY

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

POTENTIAL LITIGATION INVOLVING OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there is no potential litigation proceeding against our Company.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved the following:

- (i) Consolidated information on outstanding dues to Micro Small & Medium Enterprises (MSME), separately giving details of number of cases and amount involved if the same exceeds the threshold limit of Rs. 1 lakh and the credit period of up to 45 days;
- (ii) Complete details about outstanding dues to other creditors (excluding banks and other financial institutions from whom Company has availed the financing facilities) if the amount due to any one of them exceeds 10% of the total outstanding trade payables of the Company as per the last audited financial statements.

As of December 31, 2018, our Company, in its ordinary course of business, has an aggregate amount of Rs. 909.85 Lakhs, which is due towards sundry and other creditors. As per the above policy, consolidated information of material dues to creditors, giving details of number of cases and aggregate amount for such dues is as under:

Particulars	Number of cases	Amount Outstanding
Material dues to MSMEs	0	0
Material dues to other creditors	18	909.85

The details pertaining to net outstanding due by our Company towards MSMEs, material dues to creditors and other dues to creditors separately as per the Restated Financial Statements for the most recent financial year are available on the website of our Company. It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any source of information including our Company's website would be doing so at their own risk.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a willful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters issued by RBI.

MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 159 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since December 31, 2018, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, registrations, permissions and approvals from the Government of India/ RBI and various governmental agencies and other statutory and/ or regulatory authorities required to undertake this Issue and carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except proposed activities of Company or any other entity are required to undertake the Issue or continue its business activities. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 86 of this Draft Red Herring Prospectus.

Following statement sets out the details of the material licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

I. COMPANY RELATED APPROVALS

Sr. No.	Authorization Granted	Issuing Authority	Date of Issue/ Date of Renewal	Valid up to
1.	Certificate of Incorporation in the name of “Applied Computer Sciences Organisation Private Limited”	Registrar of Companies, Andhra Pradesh, Hyderabad	June 4, 1980	-
2.	Fresh Certificate of Incorporation consequent on change of name to “ACS Technologies Private Limited”	Registrar of Companies, Andhra Pradesh, Hyderabad	October 6, 1994	-
3.	Fresh Certificate of Incorporation consequent on conversion to “ACS Technologies Limited”	Registrar of Companies, Andhra Pradesh, Hyderabad	September 20, 1995	-

II. APPROVALS FOR THE ISSUE

Corporate Approvals-

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on March 11, 2019 authorized the Issue, subject to the approval of the shareholders of the Company, under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution passed in the EGM held on March 25, 2019 under Section 62(1)(c) of the Companies Act, 2013 authorized the Issue.

In Principal Approval from Stock Exchange-

1. The Company has obtained in-principle listing approval from the NSE dated [●].

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated 20th April, 2019 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated 20th April, 2019 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is [●].

III. TAX RELATED APPROVALS/LICENSES

Sr. No.	Description	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
1.	Permanent Account Number (PAN)	Income Department, Government of India	AABCA7236N	-*	N.A.
2.	Tax Deduction Account Number (TAN)	Income Department, Government of India	HYDA00205C	-*	N.A.
3.	Certificate of Registration for Goods and Service Tax (GSTIN) <i>[for registered office]</i>	Government of India	36AABCA7236N1ZF (Telangana)	September 21, 2017	N.A.
4.	Certificate of Registration for Goods and Service Tax (GSTIN) <i>[for branch office]</i>	Government of India	37AABCA7236N1ZD	July 1, 2017	N.A.
5.	Certificate of Registration under the Telangana Tax on Profession, Trade, Calling and Employments Act, 1987 <i>[for registered office]</i>	Commercial Taxes Departments, Hyderabad	36836619737	September 22, 2014	N.A.
6.	Certificate of Registration under the Andhra Pradesh Tax on Profession, Trade, Calling and Employments Act, 1987 <i>[for branch office]</i>	Commercial Taxes Departments, Viskhapatnam	AABCA7236NPTD001	* -	N.A.
7.	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AABCA7236NST001	August 8, 2003	-
8.	Certificate of Registration under Value Added Tax	Commercial Tax Department,	36950204865	June 2, 2014	-

Sr. No.	Description	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
	Act, 2003 <i>for Registered office</i>	Government of Telengana			
9.	Certificate of Registration under Value Added Tax Act, 2003 (<i>for Branch office</i>)	Commercial Tax Department, Government of Andhra Pradesh	37950204865	June 2, 2014	-
10.	Certificate of Registration under Central Sales Tax (Registration and Turnover) Rules, 1957	Commercial Tax Department, Government of Andhra Pradesh	28950204865	April 1, 2005	-

* Allotment letter/ Certificate is not traceable.

IV. BUSINESS RELATED APPROVALS/ LICENSES/ CERTIFICATES

Sr. No.	Description	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
1.	MSME Udyog Aadhaar Memorandum for registration as Small Enterprise	Ministry of Micro, Small & Medium Enterprises	TS02E0007788	November 24, 2016	N.A.
2.	Certificate of Importer-Exporter Code (IEC)	Ministry of Commerce and Industry	0995001511	June 20, 1995	N.A.
3.	Certificate of Registration under Telengana Shops and Establishment Act, 1988[<i>For registered office</i>]	Labour Department, Government of Telengana	SEA/HYD/JCL/HB/015390 4/2019	June 20, 2019	December 31, 2019
4.	Certificate of Registration under Andhra Pradesh Shops and Establishment Act, 1988 [<i>For branch office</i>]	Labour Department, Government of Andhra Pradesh	AP-03-84-039-0154420	April 12, 2018	March 31, 2021
5.	Labour License – <i>for providing IT software and hardware services carried out at GMR Hyderabad International Airport Limited</i>	Office of the Licensing Officer, Labour Department	CLR/RAN/JCL/RR/03314/ 2017	January 28, 2018	December 28, 2019
6.	Certificate for Quality Management System (ISO 27001:2013)	ROHS Certification Pvt. Ltd.	17IIAHC78	August 22, 2017	August 21, 2020
7.	Certificate for Quality Management	ROHS Certification	17IITAN83	August 22, 2017	August 21,

Sr. No.	Description	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
	System (ISO 20000-1:2011)	Pvt. Ltd.			2020
8.	Certificate for Quality Management System (ISO 9001:2015)	ROHS Certification Pvt. Ltd.	17IQAE94	August 22, 2017	August 21, 2020

V. LABOUR RELATED APPROVALS/REGISTRATION

Sr. No.	Description	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
1.	Employee Provident Fund Certificate (Under Employee Provident Fund and Miscellaneous Provision Act, 1952)	Employees' Provident Fund Organisation	APHYD0013407000	September 20, 1997	N.A.
2.	Employees' State Insurance Corporation registration (Under Employees' State Insurance Act 1948) [for registered office]	Employees' State Insurance Corporation, [Telengana]	52000045470001007	* -	N.A.
3.	Employees' State Insurance Corporation registration (Under Employees' State Insurance Act 1948) [for branch office]	Employees' State Insurance Corporation, Andhra Pradesh	70520045470010602	June 25, 1997	N.A.

* Certificate is not traceable.

VI. Approvals obtained in relation to Intellectual property rights

NIL

VII. Approvals applied for but not yet received / Renewals made in the usual course of business:

NIL

VIII. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:

NIL

SECTION IX - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue in terms of this Draft Red Herring Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated March 11, 2019 and by the shareholders pursuant to the special resolution passed in Extra Ordinary General Meeting dated March 25, 2019 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the NSE for using its name in the Draft Red Herring Prospectus pursuant to an approval letter dated [●]

Prohibition by SEBI or other governmental authorities

We confirm that our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or director

Our Company, its promoters, members of the promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Prohibition by RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled "Outstanding Litigations and Material Developments" beginning on page 164 of the Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is not ineligible in terms of Regulations 228 and 230(1) of SEBI (ICDR) Regulations 2018 for this Issue.

Our Company is an "unlisted issuer" in terms of the SEBI (ICDR) Regulations 2018; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations 2018.

Our Company is eligible for the Issue in accordance with Regulation 229(2) of the SEBI (ICDR) Regulations 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue paid up capital will be more than ₹10 (Ten) Crores and upto ₹25 (Twenty five) crores and we may hence, issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "Emerge Platform of NSE").

We confirm that:

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 35 of the Draft Red Herring Prospectus.

In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

In accordance with Regulation 246 the SEBI (ICDR) Regulations, we have not filed this Draft Red Herring Prospectus with SEBI nor has SEBI issued any observations on our Draft Red Herring Prospectus. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with Stock Exchange and the Registrar of Companies.

In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 35 of the Draft Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.

Net Worth as per Consolidated Restated Financials as on December 31, 2018 is Rs. 1517.91 Lakhs

Our Company has track record of more than three years.

We have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years as mentioned below:

(₹ in Lakhs)				
Particulars	December 31, 2018	F.Y. 2017-18	F.Y. 2016-17	F.Y. 2015-16
Positive cash accruals (earnings before depreciation and tax) as per restated financials	132.64	84.89	129.40	68.15

Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated April 20, 2019 and National Securities Depository Limited dated April 20, 2019 for establishing connectivity.

Our Company has a website i.e. <http://www.acstechnologies.co.in/>

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE.

Compliance with Part A of Schedule VI of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER MARK CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 27, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT.

DISCLAIMER STATEMENT FROM THE ISSUER AND BOOK RUNNING LEAD MANAGER

OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT OFFER DOCUMENT OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

THE BOOK RUNNING LEAD MANAGER ACCEPTS NO RESPONSIBILITY, SAVE TO THE LIMITED EXTENT AS PROVIDED IN THE MOU ENTERED BETWEEN THE BOOK RUNNING LEAD MANAGER AND OUR COMPANY ON APRIL 22, 2019 AND THE UNDERWRITING AGREEMENT DATED [●] ENTERED INTO BETWEEN THE UNDERWRITERS AND OUR COMPANY AND THE MARKET MAKING AGREEMENT DATED [●] ENTERED INTO AMONG THE MARKET MAKER AND OUR COMPANY.

ALL INFORMATION SHALL BE MADE AVAILABLE BY OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER TO THE PUBLIC AND INVESTORS AT LARGE AND NO

SELECTIVE OR ADDITIONAL INFORMATION WOULD BE AVAILABLE FOR A SECTION OF THE INVESTORS IN ANY MANNER WHATSOEVER INCLUDING AT ROAD SHOW PRESENTATIONS, IN RESEARCH OR SALES REPORTS, AT COLLECTION CENTERS OR ELSEWHERE.

THE BOOK RUNNING LEAD MANAGER AND THEIR RESPECTIVE ASSOCIATES AND AFFILIATES MAY ENGAGE IN TRANSACTIONS WITH, AND PERFORM SERVICES FOR, OUR COMPANY, OUR PROMOTER GROUP, OR OUR AFFILIATES OR ASSOCIATES IN THE ORDINARY COURSE OF BUSINESS AND HAVE ENGAGED, OR MAY IN FUTURE ENGAGE, IN COMMERCIAL BANKING AND INVESTMENT BANKING TRANSACTIONS WITH OUR COMPANY, OUR PROMOTER GROUP, GROUP ENTITIES, AND OUR AFFILIATES OR ASSOCIATES, FOR WHICH THEY HAVE RECEIVED AND MAY IN FUTURE RECEIVE COMPENSATION.

CAUTION

INVESTORS WHO APPLY IN THE ISSUE WILL BE REQUIRED TO CONFIRM AND WILL BE DEEMED TO HAVE REPRESENTED TO OUR COMPANY AND THE UNDERWRITERS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES AND REPRESENTATIVES THAT THEY ARE ELIGIBLE UNDER ALL APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE EQUITY SHARES OF OUR COMPANY AND WILL NOT ISSUE, SELL, PLEDGE OR TRANSFER THE EQUITY SHARES OF OUR COMPANY TO ANY PERSON WHO IS NOT ELIGIBLE UNDER APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE EQUITY SHARES OF OUR COMPANY. OUR COMPANY, THE UNDERWRITERS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES AND REPRESENTATIVES ACCEPT NO RESPONSIBILITY OR LIABILITY FOR ADVISING ANY INVESTOR ON WHETHER SUCH INVESTOR IS ELIGIBLE TO ACQUIRE THE EQUITY SHARES IN THE ISSUE.

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLM any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Hyderabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Mark Corporate Advisors Private Limited:

Sr. No.	Issuer Name	Issue size (In cr.)	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.	Madhya Pradesh	14.17.	66.00	September 29, 2017	70.00	37.73%	95.38%	91.36%
						5.46%	7.04%	3.32%

	Media Today Limited (NSE EMERGE)							
2.	Tasty Dairy Specialities Limited (BSE SME)	24.44	45.00	February 21, 2018	50.75	(0.78%) (3.69%)	(4.44%) 2.38%	(18.89%) 1.39%
3.	Godha Cabcon & Insulation Limited (NSE EMERGE)*	9.90	33.00	May 11, 2018	30.25	(14.55%) (0.36%)	(10.00%) 6.15%	(33.33%) (1.93)%
4.	Sumit Woods Limited (NSE EMERGE)	18.24	45.00	September 10, 2018	45.00	(5.00%) (8.55%)	0.67% (6.51%)	1.11% (3.52%)

1. in case where the security is not being traded on 30th, 90th and 180th day, the previous working day has been considered.
2. in case where 30th, 90th and 180th day is holiday, the previous working day has been considered for benchmark and security purpose.
3. the benchmark index is SENSEX where the securities have been listed in BSE SME and Nifty where securities have been listed in NSE and issue information from respective prospectus.

Summary statement of Disclosure:

Financial Year	Total No. of IPOs	Total Amount of fund raised (₹ in Cr.)	No. of IPOs trading at discount-30 th Calendar days from listing			No. of IPOs trading at premium-30 days from the listing			No. of IPOs trading at discount-180 days from the listing			No. of IPOs trading at discount-180 days from the listing		
			Over 50 %	Betwe en 25-50%	Less than 25 %	Over 50 %	Betwe en 25-50%	Less than 25 %	Over 50 %	Betwe en 25-50%	Less than 25 %	Over 50 %	Betwe en 25-50%	Less than 25 %
2017-18	2	38.61	0		1		1	0	0	0	1	1	0	0
2018-19	2	28.14	0	0	2	0	1	0	0	0	0	0	0	0

Status as on 22.04.2019

Track Record of past issues handled by Mark Corporate Advisors Private Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: <https://www.markcorporateadvisors.com/>

Disclaimer from our Company and the Book Running Lead Manager

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in the Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU entered between the Book Running Book Running Lead Manager and our Company on April 22, 2019 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection Centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and the 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 the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the NSE Emerge

As required, a copy of this Draft Red Herring Prospectus has been submitted to (NSE). (NSE) has given vide its letter dated [●] permission to the Issuer to use the Exchange's name in this Prospectus on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by (NSE) should not in any way be deemed or construed that the Prospectus has been cleared or approved by (NSE); nor does it in any manner warrant, certify

or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.

The Draft Red Herring Prospectus has not been filed with SEBI, nor shall SEBI issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Red Herring Prospectus shall also be furnished to SEBI in a soft copy. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus /Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Hyderabad situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda Hyderabad - 500 068

Listing

The Equity Shares of our Company are proposed to be listed on Emerge Platform of NSE. Our Company has obtained in principle approval from NSE by way of its letter dated [●] for listing of equity shares on Emerge Platform of NSE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under section 447 of the Companies, Act 2013.

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory & Peer Review Auditor to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Company, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s M.M. Reddy & Co., Chartered Accountants, Statutory & Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on “Statement of Special Tax Benefits” relating to the possible tax benefits and restated financial statements as included in the Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus.

Experts Opinion

Except for the reports in the section “*Financial Statements*” and “*Statement of Special Tax Benefits*” on page 123 and page 65 of the Draft Red Herring Prospectus from the Statutory & Peer Review Auditors respectively, our Company has not obtained any expert opinions. For the sake of clarity, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The Estimated Issue expenses are as under:-

Sr. No.	Particulars	₹ in Lacs	% of Total Expenses	% of Total Issue Size
1.	Issue management fees including fees selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars, Underwriter and other out of pocket expenses.	[●]	[●]	[●]
2.	Printing & Stationery, Distribution, Postage, etc	[●]	[●]	[●]
3.	Advertisement & Marketing Expenses	[●]	[●]	[●]
4.	Regulatory & other expenses	[●]	[●]	[●]

Sr. No.	Particulars	₹ in Lacs	% of Total Expenses	% of Total Issue Size
Total		[•]	[•]	[•]

Fees, Brokerage and Selling Commission payable to the Book Running Lead Manager

The total fees payable to the BRLM will be as per the (i) Offer Letter dated July 14, 2018 with the Mark Corporate Advisors Private Limited, as a Book Running Lead Manager, (ii) the Underwriting Agreement dated [•] with the Underwriter, Mark Corporate Advisors Private Limited and (iii) the Market Making Agreement dated [•] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated April 10, 2019 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in the Draft Red Herring Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or abroad during the five (5) years preceding the date of the Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Refer our Chapter titled "Capital Structure" on page no 44 of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the Initial Public Offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, have made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and

Except as stated under section titled "*Capital Structure*" beginning on page 44 of the Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue.

[Performance vis-a-vis objects - Last Issue of Group/Associate Companies

One of our listed group company, namely Covidh Technologies Limited has not undertaken any public or rights issue in the last five years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis - À vis objects in respect of earlier offerings does not apply to our listed Group Company]

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing the Draft Red Herring Prospectus.

Option to Subscribe

Equity Shares being issued through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being a initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Hema Kumari, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Hema Kumari

ACS Technologies Limited

Tel No.: +91 40 2970 3666

E-mail: cs@acstechnologies.co.in

Website: www.acstechnologies.co.in

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of the Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of the Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

The number of investors complaints pending as on date of filing this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Listed Group Company	Number of pending complaints
1.	Covidh Technologies Limited	NIL

Capitalization of Reserves or Profits

Our Company has capitalized its reserves or profits for the issuance of Bonus Shares at any time during the last three (3) years Bonus shares allotment dated 15.12.2018 as stated in the Chapter "*Capital Structure*" beginning on page no 44.

Revaluation of Assets

Our Company has not revalued its assets in ten years preceding the date of the Draft Red Herring Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Special Possible Tax Benefits*" beginning on page 65 of the Draft Red Herring Prospectus.

SECTION X – ISSUE INFORMATION TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchange, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles. For further details, please refer to the section titled, '*Main Provisions of the Articles of Association of the Company*' beginning on page number 214. of this Draft Red Herring Prospectus.

Authority for the Issue

This Issue has been authorized by a Resolution of the Board passed at their meeting held on March 11, 2019 subject to the approval of shareholders through a Special Resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on March 25, 2019.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled '*Dividend Policy*' and "*Main Provisions of the Articles of Association*" beginning on pages 122 and 214 of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and advertised in all editions of English National Newspaper [●], all editions of Hindi National Newspaper [●] and Hyderabad Edition of Telugu national Newspaper [●], (Telugu also being the Regional Language of Telangana where our Registered office is located), at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective 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 on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see ‘*Main Provisions of Articles of Association*’ beginning on page 214 of this Draft Red Herring Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within eight (8) Working days of closure of Issue.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Jurisdiction

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state

securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page no. 44 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 214 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in

the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 45 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 260(1) of the ICDR Regulations, 2018 the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 268(1) of the ICDR Regulations, 2018 our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 268(1) of the SEBI (ICDR) Regulations, 2018, as amended.

Migration to Main Board

Our company may migrate to the main board of NSE at a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the paid-up Capital of our company is more than ₹10 Crores but below ₹25 Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot
- c) wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this issue is proposed to be listed on the EMERGE Platform of NSE wherein the Book Running Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the NSE for a minimum period of three years from the date of listing of shares offered through this Draft Red Herring Prospectus. For further details of the Market Making arrangement see chapter titled “General Information-Details of the Market Making Arrangements for this Issue” beginning on page 35. of this Draft Red Herring Prospectus.

In accordance with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to ₹20 Crores	25%	24%
₹20 Crores to ₹50 Crores	20%	19%
Above ₹50 Crores to ₹80 Crores	15%	14%
Above ₹80 Crores	12%	11%

Further, the following shall apply to market maker while managing their inventory during the process of market making:

- (i) The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding. Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.
- (ii) Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market maker.
- (iii) The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.
- (iv) In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.
- (v) Provided, where there is any SEBI debarment order against the company/its promoters/directors, while the SEBI debarment is in force against the company/its promoters/directors, it shall be mandatory for the company to appoint a trading member of NSE as a market maker even after the completion of mandatory period of three years. In case of any default during market making the penalties/actions will be imposed as per the existing guidelines.

Arrangements for disposal Of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE

Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter 'Capital Structure' beginning on page no. 44 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled 'Main Provisions of the Articles of Association' beginning on page no. 214 of this Draft Red Herring Prospectus. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Option to receive securities in Dematerialized Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is not more than ₹10 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 185 and 193 of this Draft Red Herring Prospectus.

The Issue is being made by way of Book Build method.

Following is the Issue Structure:

Public Issue of 55,00,000 Equity shares of face value of ₹10 each fully paid (the 'Equity Shares') for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lacs ('the Issue') by our Company. The Issue comprises a Net Issue to Public of 52,00,000 Equity Shares ('the Net Issue') and a reservation of 3,00,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

Particulars of the Issue	Net Issue to Public*	Maker Portion	Reservation
Number of Equity Shares available for allocation	52,00,000 Equity Shares	3,00,000 Equity Shares	
Percentage of Issue Size available for allocation	94.54% of the Issue Size	5.46% of the Issue Size	
Basis of Allotment	Proportionate basis, subject to minimum allotment of [●] Equity Shares each. For further details, please refer to the ' <i>Basis of Allotment</i> ' on page no. 193 of this Draft Red Herring Prospectus	Firm Allotment	
Mode of Application	All the Applicants (online & physical) through ASBA process	Through ASBA process only	
Minimum Application Size	<i>For QIB & NII:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the application size exceeds ₹2,00,000 <i>For Retail Individuals:</i> [●] Equity Shares	3,00,000 Equity Shares	
Maximum Application Size	<i>For QIB & NII:</i> Such number of Equity Shares in multiples [●] Equity Shares such that application size does not exceed 52,00,000 Equity Shares <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that application value does not exceed ₹2,00,000	3,00,000 Equity Shares	
Mode of Allotment	Dematerialized form only	Dematerialized form only	
Trading Lot	[●] Equity Shares	[●] Equity Shares	
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.		

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

*Since present issue is a Book Build issue, the allocation in the net offer to the public category in terms of SEBI

(ICDR) Regulations, 2018 shall be made as follows:

where in not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not less than 50% of the Net Issue shall be available for allocation to Retail Individual Bidders and not more than 50% of the Net Issue shall be available for allocation to Non-institutional bidders. There are no equity shares reserved for allocation to QIB category. However, QIBs can apply in the Non – Institutional Category.

For the purpose of Regulation if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

* In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- 1) The final listing and trading approvals of NSE for listing of Equity Shares offered through this issue on its SME Platform of “**NSE EMERGE**” which the Company shall apply for after Allotment and
- 2) The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in all editions of English newspaper [●], all editions of Hindi newspaper [●] and Hyderabad edition of Telugu newspaper [●], (Telugu Being the Regional language of Telangana where our Registered Office is Located), Each With Wide Circulation.

The Book Running Lead Managers, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Bid/Issue Programme:

Issue Opening Date	[●]
Issue Closing Date	[●]

Applications and any revision to the same (except that on the Issue Closing Date) will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form. On the Issue Closing date application and revision to the same will be accepted between 10.00 a.m. and 4.00 p.m. Applications will be accepted only on Working Days, i.e., all trading days of stock exchange excluding Sundays and bank holidays.

ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (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 BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Bid cum Application Forms are provided on www.nseindia.com/emerge. For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned website of NSE.

Our Company and the BRLM 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 the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Book Building Issue Procedure

The Issue is being made through the Book Building Process, in compliance with Regulation 229 (2) of the SEBI ICDR Regulations, wherein 50% of the net issue to Public was made available for allocation to Retail Individual Bidders and the balance shall be available for allocation to QIBs and Non-Institutional Bidders. Further [•] % of the Issue is reserved for allocation to the Market Maker. in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential investors are required to mandatorily use the Application Supported by Blocked. Amount (“ASBA”) process providing details of the irrespective bank accounts which will be blocked by the Self Certified Syndicate Banks (“SCSBs”).

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that according to section 29 (1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have

the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Phased implementation of Unified Payments Interface

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase I”). Thereafter, for application by RIBs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. This Offer will be under UPI Phase [●].

This Issue may be amongst one of the few initial public offerings in which the UPI Mechanism for application by Retail Individual Bidders is being permitted, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

Retail Individual Bidders making application using UPI shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Bid cum Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchanges. Applications made by the Retail Individual Bidders using third party bank account or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. Bankers to the Issue shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Bid details in the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Bidders with the Depositories.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour(1)
Resident Indians and Eligible NRIs applying on a non- repatriation basis (ASBA)	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account, details of which were provided by the Bidder in his respective ASBA form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
 - Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
 - Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
 - Mutual Funds registered with SEBI;
 - Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
 - Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
 - FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
 - Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
 - State Industrial Development Corporations;
 - Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
 - Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
 - Insurance Companies registered with IRDA;
 - Provident Funds and Pension Funds with minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
 - Multilateral and Bilateral Development Financial Institutions;
 - National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
 - Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
 - Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

In addition to the category of Bidders set forth *above*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
2. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
3. Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.

Maximum and Minimum Application Size

(a) For Retail Individual Bidders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000.

(b) For Non-Retail Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid. The identity of QIBs applying in the Net issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Method and Process of Bidding

- a) Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of [●] (English language), all editions of [●] (Hindi language) and regional language newspaper being [●], each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.
- b) The Bid/ Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of [●] (English language), all editions of [●] (Hindi language) and regional language newspaper being [●], each with wide circulation and also by indicating the change on the websites of the BRLM.
- c) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorised agents to register their Bids. The BRLM shall accept Bids from all non-ASBA Bidders and from the ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- e) The Bidder cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or

Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “*Build-up of the Book and Revision of Bids*”.

- f) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- g) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- h) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- i) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- j) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form for the Bid Amount based on the Cap Price with the Syndicate and shall instruct the SCSBs to block an amount based on the Cap Price.

Participation by the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company 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 can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

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 schemes. 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 Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non Residents (blue in colour). Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents. (white in colour).

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

By a resolution of our Board dated November 23, 2018 and a resolution of our Shareholders dated November 27, 2018, our Company has increased the aggregate limits of its shareholding by FPIs to 100%. We have intimated the increase of these limits to the RBI.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

1. offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up.

All non-resident investors should note that refunds (unblocking), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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 in consultation with the BRLM reserves 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 are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

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, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), 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.

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 a 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 in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, 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 law) 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 in consultation with the BRLM reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM 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.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. 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 law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Electronic Registration of Bids

- a. The Designated Intermediaries may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b. On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1.00 p.m. on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Build up of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company and Underwriter have entered into an Underwriting agreement dated [●]
- b) A copy of the Red Herring Prospectus and Prospectus will be registered with the RoC in terms of Section 32 and 26 of the Companies Act, 2013.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: English national newspaper [●], all editions of Hindi National Newspaper [●] and Hyderabad edition of Telugu newspaper [●], (Telugu being the regional language of Hyderabad where our Registered Office is located), each with wide circulation,

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Designated Date and Allotment

- a) **Designated Date:** On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Our Company will ensure that the Allotment and credit to the successful Bidder’s depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/ Issue Closing Date or such other period as may be prescribed.
- e) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

General Instructions

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. All Bidders should submit their bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
12. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respects;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
20. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

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 for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. 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;
9. Do not submit more than five Bid cum Application Forms per ASBA account;
10. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
11. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not submit the General Index Register (GIR) number instead of the PAN;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).
16. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
17. Do not Bid on another Bid cum Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated intermediary;
18. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
19. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
20. 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 Bidder. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date; and
21. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

- c) Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the company secretary and compliance officer. For details of company secretary and compliance officer, see “*General Information*” beginning on page no. 35 of this Draft Red Herring Prospectus.

Submission of Bids

- a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

Joint Bids

In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.
- b) Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- d) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

Grounds for Technical Rejections

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- w) Bids/Applications by QIBs and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip. Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Applications

Our Company and the Selling Shareholders shall ensure that all steps 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, are taken within 6 Working Days of the Bid/ Offer Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
 - b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
 - c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”*
- The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.*

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLM 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.

Procedure and Time of Schedule for Allotment and Demat Credit

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

Issuer will ensure that the Allotment of Equity Shares and corporate action for credit of shares to the successful Bidders Depository Account will be completed within 6 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

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 Issue 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 Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual 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.

Letters of Allotment or Refund Orders or Instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Bid/ Issue Closing Date. the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 6 Working Days of the Bid/ Issue Closing Date.

Mode of Refund

Within 6 Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

Interest in Case of Delay in Allotment or Refund

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Bid/ Offer Closing Date.

Undertakings by our Company

Our Company undertakes that:

1. Adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
2. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
3. All steps 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 shall be taken in consultation with the BRLM within such period as may be prescribed under applicable law;
4. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
5. The funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 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;
7. Compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
8. Promoters' contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and
9. No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

If our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly.

Further, if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document, in the event our Company subsequently decides to proceed with the Issue;

Utilisation of Net proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested. The Company specifically confirms and declares that all monies received out of the issue shall be transferred to a separate bank account other than the bank account referred to in sub-Section 3 of Section 40 of the Companies Act, 2013.

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 and the circulars and notifications issued thereunder. 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board (“FIPB”). Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India is now handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”). The Ministry of Finance (MoF) on 05 June, 2017, has issued an Office Memorandum, listing the concerned administrative ministry/ department for the notified sectors/ activities requiring government approval under the FDI policy.

The Government of India has, from time to time, made policy pronouncements on FDI through press notes and press releases. DIPP has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”) effective from August 28, 2017 which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular. At present 100% FDI through automatic route is permitted in the IT sector in which our Company operates. However, downstream investments by a resident entity which is ‘foreign-owned and controlled’ within the meaning of the FDI Policy are treated as foreign investment for the purposes of the FDI Policy.

In case of investment in sectors through Government route, approval from competent authority as mentioned in the Chapter 4 of the FDI Policy 2017 has to be obtained.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Directions on Foreign Investment in India dated January 4, 2018 as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to person resident outside India (who is eligible to make investments in India) subject to compliance with the extant FDI policy and the FEMA Regulation. Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors cannot offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities:

Under the FDI Policy 2017, the maximum amount of Investment (sectoral cap) by a foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under FEM (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap. The said Regulations define Capital Instruments to mean as equity shares, debentures, preference shares and share warrants issued by an Indian Company. The following expressions used in this Chapter shall have the following meaning: ‘preference shares’ means fully, compulsorily and mandatorily convertible preference shares; ‘debentures’ means fully, compulsorily and mandatorily convertible debentures; and ‘share warrants’ mean share warrants issued in accordance with SEBI (ICDR) Regulations by a listed Indian Company.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, as the case may

be, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall be less than 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. However, this aggregate limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme:

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10% of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24% of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24% will be called aggregate limit. However, the aggregate limit of 24% may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24% or enhanced limit.

Investment by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis:

The purchase/sale of Capital Instruments issued by a listed Indian Company by an NRI or OCI on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEM (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

In terms of the said Regulations, the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on non-repatriation basis:

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an

offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2000/3/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

1. INTERPRETATION CLAUSE:

The marginal notes hereto shall not affect the construction hereof. In these regulations, the following words and expressions shall have the following meanings unless excluded by the subject or context:-

- (a) “Act” or “The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
- (b) “Articles” means these Articles of Association or as altered from time to time.
- (c) “Beneficial owner” shall have the meaning assigned thereto by Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- (d) “Board of directors” or “board” means the collective body of the directors of the company;
- (e) “Company” or “this Company” shall mean “*ACS TECHNOLOGIES LIMITED*”.
- (f) “Depositories Act, 1996” shall include any statutory modification or re-enactment thereof for the time being in force.
- (g) “Depository” shall mean a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.
- (h) “Director” means a director appointed on the Board of the company.
- (i) “Dividend” includes any interim dividend.
- (j) “In writing” includes printing, lithography, typewriting and any other usual substitutes for writing.
- (k) “Member” in relation to the company, means—
 - (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
 - (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
 - (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;
- (l) “Memorandum” means the memorandum of association of a company as originally framed or as altered from time to time in pursuance of any previous company law or of this Act.
- (m) “Month” shall mean an English Calendar Month.
- (n) “Paid-up share capital” means such aggregate amount of money credited as paid-up.
- (o) “Person” shall include any partnership, association, corporation, company as well as individuals.
- (p) “The Register” means Register of Members to be maintained by the Company as required under Section 88 of the Act and where shares are held in dematerialized form, includes the Register of beneficial owners maintained by a Depository.

- (q) "Registrar" means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering companies and discharging various functions under this Act.
- (r) "Share" means a share in the share capital of a company and includes stock.
- (s) "Subscribed capital" means such part of the capital which is for the time being subscribed by the members of a company.
- (t) "Special Resolution" shall have the meaning assigned thereto by Section 114 of the Act.
- (u) "Seal" means the common seal of the Company.
- (v) "Whole-Time Director" includes a director in the whole-time employment of the company.
- (w) Words importing the singular shall include the plural and words importing the plural shall include the singular.
- (x) Words importing the masculine gender shall include the feminine gender and vice-versa.

SHARE CAPITAL AND VARIATION OF RIGHTS

Capital:

- 2.(i) The Authorised Share Capital of the Company be as laid in Clause V of the Memorandum of Association of the Company.
- (ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its equity shares, debentures and other marketable securities in accordance with the applicable law and/or regulations promulgated from time to time.
- (iii) Every person subscribing to or holding securities of the Company shall have the option to receive the security certificates or to hold the securities in electronic form with a depository.
If a person opts to hold his security with a Depository, the Company shall intimate such Depositories, the details of allotment of the security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate(s) of Securities.
- (iv) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
Save as otherwise provided above, the depository as the registered owner of the securities shall not have any rights or any other rights in respect of the securities held by it.
The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- (v) Where the securities are held with a depository, the records of the transfer of securities in the name of the beneficial owner may be served by such depository on the Company by means of electronic mode or by delivery of discs.

Issue / Allotment of shares:

- 3. Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

Power to issue shares with differential voting rights:

4. The Company shall have the power to issue shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with the provisions of the Act, Rules made thereunder or any other law as may be applicable.

Power of company to purchase its own securities

5. The Company may purchase its own Equity Shares or other Securities, as may be specified by the Act, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

Share Certificate:

6. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months 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 such sum for each certificate after the first as may be decided by the Board.
- (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.

Duplicate Certificate:

7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

Splitting and Consolidation:

8. Any person (whether the register holder of the shares or not) being in possession of any Share Certificate(s) for the time being may surrender the said Share Certificate to the Company and apply to the Company for the issue of two or more fresh share certificates comprising the same shares bearing the same distinctive numbers as were comprised in the said Certificates and in such separate lots as he may desire, in lieu of the such share certificates so surrendered, or for the consolidation of the shares comprised in such surrendered certificates into one certificate.

Issue of Certificates:

9. Every certificate of title to the share or shares shall be issued only in accordance with the provisions of Companies (Share Capital and Debentures) Rules, 2014 or any amendment thereof or any provision of law applicable thereto, for the time being in force.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable thereof in this behalf.

10. The provisions of Articles 6, 7, 8 and 9 shall *mutatis mutandis* apply to debentures of the company.

Trust not recognised:

11. 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.

Power to pay commission:

12.(i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(iv) The Company can also pay on any issue of shares or debentures, brokerage not exceeding such rate as may be prescribed.

Variation of rights:

13. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

(iii) 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.

Further issue of shares:

14. The Company shall be authorised to increase its subscribed capital by issue of further shares in accordance with the provisions of Section 42 and 62 of the Act, and the relevant Rules made thereunder.

Preference Shares:

15. The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible and / or redeemable preference shares liable to be converted or redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

15A. Upon the issue of preference shares the provisions of Section 55 of the Act shall apply. Further

- i. the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- ii. the redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- iii. Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

Liability of joint holders of shares:

16. The joint holders of a share or shares be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

Issue of shares other than for cash:

17. The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and/or 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 said power vested in the directors by this article shall not be exercised except by the unanimous consent of all the Directors and in the absence of such unanimity, with the previous sanction of a special resolution passed at a general meeting of the Company.

Sweat equity:

18. The Company shall have power to issue sweat equity shares to its employees or directors for cash or against consideration (other than cash) for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called, subject to the provisions of Section 54 of the Act and any other related provisions as may be required for the time being in force.

Acceptance of shares:

19. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of shares within the meeting of these articles and every person who thus or otherwise accepts any shares and whose name is in the register shall for the purpose of these Articles be a member.

Debentures:

20. Unless otherwise provided, the provisions of these Articles relating to Transfer and Transmission of shares, Share Certificate, Lien, Calls and Forfeiture shall *mutatis mutandis* apply to Debentures.

LIEN

Company's lien on shares:

21. (i) That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- Unless otherwise agreed the registration of transfer of shares shall operate as a waiver of the Company's lien if any on such shares.

As to enforcing lien by sale:

22. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
23. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale:

24. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares, at the date of the sale.

Liability of joint holders of share:

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest on calls:

27. (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 percent 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.

Sums payable at fixed times to be treated as calls:

28. (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.

Payment of call in advance:

29. 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 percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
- (c) That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;

Partial payment not to preclude forfeiture:

30. Neither a judgment nor a decree in favour of the Company for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Person by whom installments are payable:

31. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installments shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

Transfer of Shares:

- 32.(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.

Board's right to refuse to register:

33. 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.
34. The Board may decline to recognise any instrument of transfer unless—
- (a) That a common form of transfer shall be used 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.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

35. 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.
36. (i) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee.
- (ii) The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- (iii) That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;
37. Nothing in Article 32, 33 and 34 shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law or to refuse to register the transfer of any shares to a transferee whether member or not.

Transfer fee:

38. No fee shall be charged by the Company for registration of transfer or transmission of shares or for registration on the death of any member or for registering any Letters of probate, Letters of Administration and similar documents or for issue of fresh share certificate in lieu of surrendered certificates for consolidation, splitting or otherwise.

Register of members:

39. The Company shall keep one or more books to be called the "Register of Members" and therein shall be entered the particulars of the shares required by the Act to be entered in such register.

Custody of transfer deeds:

40. The instrument of transfer shall, after registration, remain in the custody of the Company.

Transmission of shares:

41. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Rights and Liabilities of Legal representatives:

42. (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.

Notice of election by legal representatives:

43. (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.

44. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Company's right to register transfer by apparent legal owner:

45. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any such equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall think fit.

Forfeiture of shares

If call or installment not paid, notice may be given:

46. 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.

Forms of Notice:

47. 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.

If Notice not complied with shares may be forfeited:

48. 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.

Sale of forfeited shares:

49. (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.

Liability after forfeiture:

50. (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.

Declaration of forfeiture:

51. (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.

Non-payment of sums payable at fixed times:

52. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Surrender of shares:

53. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other shares.

Set-off moneys due to shareholders:

54. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him either alone or jointly with any other person, to the Company in respect of calls.

ALTERATION OF CAPITAL

Power to increase or reduce capital:

55. 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.

56.(i) 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.

(ii) Except so far as otherwise provided by the conditions of issue or by these Articles, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

Conversion of shares into stock:

57. 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.

Reduction of capital:

58. 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.

Capitalisation of profits:

- 59.** (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);
- (iii) 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;

The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

- 60.** (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 or debentures 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.

GENERAL MEETINGS

61. Annual General Meeting:

- a. In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next.
- b. A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.
- c. With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

- d. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- e. 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.
- f. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

Extraordinary General Meeting:

- 62.** (i) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- (ii) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (iii) 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.

63.

- (i) Accidental omission to give notice of any General Meeting, whether AGM and / or EGM to any members or any other person entitled thereto, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (ii) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

Passing resolution by Postal Ballot

64.

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, the Company shall transact the same by means of a postal ballot (including voting by electronic means), instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot (including voting by electronic means).

Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

PROCEEDINGS AT GENERAL MEETING

Quorum:

- 65.** (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.

Chairman of General Meeting :

66.

- a. The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director be present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

- b. The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- c. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

Adjournment of meeting:

- 67. (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.

Casting vote:

- 68. In the case of an equality of votes, the Chairman of the meeting shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Demand for Poll:

- 69. A poll demanded for adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith. A poll demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting may direct.

VOTING RIGHTS

Votes:

- 70. Subject to any rights or restrictions for the time being attached to any class or classes of share, 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.
- 71. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

Joint Holders:

- 72. (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.

Member of unsound mind:

- 73. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote either on his own or by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Business may proceed notwithstanding demand for poll:

74. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

No member entitled to vote while call due to Company:

75. 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.

Validity of votes:

76. (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.

Proxies permitted on polls

77. On a poll, votes may be given either personally or by proxy. A Company may vote in accordance with the provisions of Section 113 of the Act and the rules made thereunder.

PROXY

Proxy to be deposited at the office:

78. 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.

Form of Proxy

79. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

Validity of vote by proxy:

80. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

Number of Directors:

81. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 (three) and not more than 15 (fifteen).

Chairman of the Board of Directors

82.
i. Notwithstanding the fact that Managing Director or the Chief Executive Officer of the Company or any

other Key Managerial Personnel, may be the Chairman of the Company, who shall act as Chairman of the Meetings of the Board, until he resigns from the said office or the Board determines otherwise.

- ii. Notwithstanding the aforesaid, the members of the Board may elect any one of them as the Chairman of the Board.
- iii. Subject to Article 66, the Chairman shall preside at all meetings of the Board and the General Meetings of the Company. The Chairman shall have a casting vote in the event of a tie.
- iv. If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

v.

Remuneration of Directors

88. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the listing agreement, 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 by way of commission calculated at a specified percentage of the net profits of the Company or a lumpsum amount or partly by one way and partly by the other, subject to the limits prescribed under the Act.

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 determined by the Board from time to time for each meeting of the Board or any Committee thereof attended by him.

In addition to the sitting fee for attending meetings of the Board or committees, the non-executive Directors shall also be entitled to receive remuneration in accordance with the provisions of Section 197 of the Act and the applicable Rules made thereunder.

Special remuneration for extra services rendered by a Director

89. 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.

Travel expenses of Directors

90. The Board shall be entitled to bear, pay and even reimburse to any Director, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings or Shareholders Meetings, as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

Continuing Directors

91. The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 81 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

One-third of Directors to retire every year

92. At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article. Provided that, if at any time the number of Directors (including whole-time Director) as are not subject

to retirement by rotation shall exceed one-third of the total number of the Directors for the time being then such of the whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors at any point of time.

Company may increase or reduce the number of Directors.

- 93.** Subject to these Articles and Section 149 and 152 of the Act, the Company may, by Special Resolution, from time to time, increase or reduce the number of Directors, and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Managing Director(s)/ Whole Time Director(s) / Executive Director(s)/ Manager

- 94.** Subject to the provisions of Section 203 of the Act and the provisions these Articles, the Board shall have the power to appoint Managing Director/ whole time director, executive director or manager of the Company.

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

The Board / members shall be empowered to fix the remuneration of a Managing Director/ whole time director or executive director or manager by way of fixed salary and/or perquisites or commission calculated at a specified percentage of the net profits of the Company or a lumpsum amount, or by any or all these modes or any other mode not expressly prohibited by the Act in accordance with the provisions of Section 197 of the Act read with Schedule V thereto.

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager.

Powers of the Board

100.

- (a) The Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act, subject to the provisions of Section 179 and 180 of the Act and the applicable Rules made thereunder, or by the memorandum and articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) All powers and duties vested in the Managing/Whole-Time Director(s) for the time being in accordance with the provisions of these present or by a resolution of the Board of Directors may subject to any directions to the contrary by the Board, be exercised by any one of them.

Power to Borrow:

- 101.** The Board of Directors may from time to time but subject to the provisions of Section 179 and 180 of the Companies Act, 2013 read with rules made thereunder raise any money or monies or sums of money for the

purpose of the Company as they deem fit by the issue of debentures, promissory notes or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director or Whole-Time Director or Manager subject to the limits upto which the money may be so borrowed as may be specified in the said resolution.

Committees and delegation by the Board

102.

- (a) The Board may in accordance with the provisions of the Act or any other Law and the provisions of the listing agreement, form such committees comprising such members (whether forming part of Board or not) as may be required and deemed necessary.
- (b) Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (c) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to the Committees as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to persons or purposes. Every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (d) All acts undertaken at any meeting of the Board or of a Committee, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Passing of resolution by circulation

103. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

Minutes of the proceedings of the Board Meetings

104.

- a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- c) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - i. all appointments of Officers;
 - ii. the names of the Directors present at each meeting of the Board;
 - iii. all resolutions and proceedings of the meetings of the Board;
 - iv. the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- d) Nothing contained in sub Articles (a) to (c) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - i. is or could reasonably be regarded as defamatory of any person;
 - ii. is irrelevant or immaterial to the proceedings; or
 - iii. is detrimental to the interests of the Company.
- e) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (d) above.
- f) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Power to remove directors by ordinary resolution:

105. Subject to provisions of Section 169 of the Act, the Company may by an ordinary resolution remove any Director before the expiry of his period of office and may by an ordinary resolution appoint another person in his place. A Director so appointed shall hold office upto the date which his predecessor would have held office if he had not been removed.

Acts done by meeting valid notwithstanding defective appointment:

106. 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.

Attorney of the Company:

107. Subject to the provisions of Section 179 of the Act and the rules made thereunder, the Directors may by majority appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Board may from time to time think fit and any such power of attorney may contain such provisions for the protection or convenience of

persons dealing with such attorney as the Board may think fit.

Power to authorise sub-delegation:

108. The Directors may by majority, authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them.

Charge on uncalled capital

109. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Board may, by instrument under the Company's seal, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls, shall mutatis mutandis apply to calls and the power to make such calls may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

Subsequent assignees of uncalled capital:

110. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

Charges in favour of Director for indemnity:

111. 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 Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

Expenses to be charged to the Company:

112. The Managing/Whole-Time Director(s) shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such part-time employees.

Powers of Managing/Whole-Time Directors:

113. The Managing/Whole-time Director shall, subject to the supervision and control of the Board of Directors have power to do all such acts and things which are usually necessary or desirable in the management of the affairs of the Company. Without prejudice to the generality of the powers conferred hereby, he shall have inter alia, the following broad powers subject to the supervision and control of the Board of Directors:-

- a. To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.
- b. To sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company or in which the Company is interested or over which the Company may have any such power of disposal and to exchange any such property or right belonging to the Company for other property or rights.
- c. To determine from time to time who shall be entitled to sign on the Company's dividend warrants, cheques, promissory notes, bills of exchange and other negotiable instruments, releases, contracts and to give the necessary authority for such purposes.
- d. To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts,

releases and other discharges for moneys or goods of property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and demands of the Company.

- e. To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its offences, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.
 - f. To enter into, vary or cancel all or any of the contracts entered into by or on behalf of the Company.
 - g. To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisors, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing/Whole-time Director shall think fit.
 - h. To acquire, purchase, lease, exchange, pledge, hypothecation or otherwise transfer, lands, estates, fields, buildings, office show-rooms, go downs and other buildings, machinery, engine, plant, rolling stock, tools, machine tools, outfits, stores, hardware and any other materials or whatever description either on credit or for cash and for present or future delivery.
 - i. To plant, develop, improve, cut down, process, sell or otherwise, dispose of the products of the Company and to incur all expenses in this behalf.
 - j. To erect, maintain, repair, equip, alter and extend buildings and machinery in any place.
 - k. To enter into all negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
 - l. To pay all moneys due by the Company and look after the finance of the Company.
 - m. To open current and time-deposit account or other accounts with banker or bankers at their choice and to operate on such accounts and also when necessary to overdraw or take loans on such accounts on the security of the Company or of any of its assets.
 - n. To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills or exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, local bodies, port trust, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
 - o. Subject to Article 94 to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.
 - p. To receive or give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods or property lent, payable or belonging to the Company or for advances against the goods of the Company.
 - q. To make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing/Whole-time Director may deem fit.
 - r. To submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
 - s. To institute, appear in or defend any legal proceeding in the name of and on behalf of the Company, to sign any pleading and other documents, to engage and to instruct any Advocate, Solicitors and Lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim, suit or proceedings.
 - t. To make all manner of insurances.
- To delegate all or any of the powers, authorities and discretions for the time being vested in the Managing/Whole-time Director and also from time to time provide by the appointment of an attorney or attorneys to sign seal, execute, deliver, register or cause to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the common seal of the Company, provided that the Directors may from time to time revoke, withdraw, alter or vary all or any of the above

powers, provided that the Managing/Whole-time Director shall not exercise the power to:

- i. make calls on shareholders in respect of moneys unpaid on the shares of the Company.
- ii. issue debentures, borrow moneys or make loans except within the limits as may be fixed by the Directors at a Board meeting.

THE SEAL

Common Seal:

114. The Directors shall provide a seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or any other Director or the Secretary or such other person as the Board may determine from time to time.

Deeds how executed:

115. 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 one director and of the company secretary or such other person as the Board may appoint for the purpose; and such director and the company secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Provided nevertheless that any instrument bearing the seal of the Company shall be binding on the Company notwithstanding any irregularity relating to the authority to issue the same; provided further also that the counter signature of the Company Secretary or the authorized person shall not be necessary in the case of instruments executed in favour of a Managing/Whole-Time Director which shall be sealed in the presence of any other Director and signed by him on behalf of the Company.

DIVIDENDS AND RESERVE

Application of Profit:

116. The profit of the Company, subject to any special rights relating thereto created or authorised to be created by these present, and subject to the provisions of these present as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

Declaration of Dividend:

117. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim Dividend:

118. Subject to the provisions of section 123 of the Act, 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.

Dividend to be paid out of profits only:

119. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

Transfer of share not to pass prior dividend:

120. Any transfer of shares shall not pass any right to dividend declared thereon before the registration of transfer.

Reserve Funds:

- 121. (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 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, thinks fit.
- (ii)** The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Method of payment of Dividend:

- 122.(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 these regulations 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.

Deduction of arrears:

- 123.** 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.

Adjustment of dividend against calls:

- 124.** Any general meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividend or bonus payable to him and that the call be made payable at the same time as the dividend or bonus is payable/credited and be set off against the call.

Bonus or Dividend in specie:

- 125. (i)** Any general meeting declaring dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the meeting.
- (ii)** Where any difficulty arises in regard to such distribution, the Board may settle the same as they think fit and expedient and in particular may issue fractional certificates and fix the value of distribution so that cash payment shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

Payment by cheque or warrant:

- 126. (i)** Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque /warrant/ electronic mode 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 in 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 /warrant shall be made payable to the order of the person to whom it is sent.
- (iii)** Every such cheque or warrant shall be posted within such time as may be prescribed by the Act and the

rules made thereunder from the date of declaration of the dividend.

Receipt of joint holders:

127. Any one of two or more joint holders of a share may give effective receipts for any dividend, bonuses, or other monies payable in respect of such share.

128. 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.

Dividend not to bear interest:

129. No dividend shall bear interest against the Company.

Unclaimed dividend

130. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with provisions of the Act in connection with transfer of unpaid/unclaimed dividend.

Transfer of share not to pass prior dividend:

131. Any transfer of shares shall not pass any right to dividend declared thereon before the registration of transfer.

ACCOUNTS

Accounts to be kept:

132.(i) The Directors shall cause proper books of accounts to be kept in respect of (a) all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place; (b) all sales and purchases of goods and services by the Company; and (c) the assets and liabilities of the Company.

(ii) If the company has a branch office whether in India or outside India, proper books of accounts relating to the transactions effected at that office shall be kept at that office, and proper summarized returns periodically shall be sent by the branch office to the Company at its registered office or other place in India, as the Board may think fit, where the main books of the Company are kept.

(iii) The books of account shall be kept at the Registered Office or at such other place in India as the Board thinks fit and shall be open to inspection by any Director during business hours.

(iv) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain its transactions.

Inspection by members:

133. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions and regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection of 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.

Statement of accounts to be furnished in General Meeting:

134. The Board shall lay before each Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date that shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

FINANCIAL STATEMENTS

135. Subject to the provisions of Section 129 of the Act, the financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as

circumstances admit.

136. The financial statements including Consolidated Financial Statements of the Company shall be signed on behalf of the Board in accordance with the provisions of the Section 134 of the Companies Act, 2013.

137. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of the Act and before they are submitted to the Auditors for their report thereon.

Board's report to be attached to financial statements:

- 138** (i) The financial statements laid before the Company in General Meeting shall have attached to it a report by the Board including the matters specified under section 134 of the Act.
- (ii) The Board's report and any annexures thereto shall be signed by the Chairman of the Company if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by atleast two directors, one of whom shall be a Managing Director in accordance with the provisions of section 134 of the Act.
- (iii) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of this Article are complied with.

AUDIT

Accounts to be audited:

139. The financial statements shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

Appointment of Auditors:

140. The appointment of Auditors shall be in accordance with the provisions of Section 139 of the Act read with the rules made thereunder.

Remuneration of Auditors:

141. The remuneration of the Auditors shall be fixed by the Company in General Meeting or in such manner as may be determined therein.

142. Every account of the Company when audited and approved by a General Meeting shall be conclusive. However, the said audited financial statements may be re-opened in compliance with the provisions of section 130 of the Act.

SERVICE OF DOCUMENTS AND NOTICES

143. A document may be served on a Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as prescribed under section 20 of the Act and the rules made thereunder.

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

144. (i) Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

(ii) Where a document is sent by post, such service shall be deemed to be effected - (i) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted; and (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Members to notify address in India:

145. Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

Persons entitled to notice of General Meeting:

146. Subject to the provisions of the Act, notice of General Meeting shall be given to;

- (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the Company.

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.

147. Every person, who by the operation of law, transfer, or by other means whatsoever, shall become entitled to any share, shall have the right to every document in respect of such share which, previously to his name and address being entered on the registrar, shall have been duly served on or sent to the person from whom he derives his title to such shares.

148. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Board may appoint. The Signature to any notice to be given by the Company may be written or printed or lithographed or even may not bear any signature in case of electronic / computer generated communication.

Secrecy Clause

149. Every Director, Managing Director, Whole-Time Director, Manager, Secretary, Auditor, Trustee, Member of the Committee, Officer, Servant, Agent, Accountant, or other person employed in the business of the Company shall if so required by the Board before entering upon his duties, or at any time during his term of the office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board of Director or by any general meeting or by a court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these articles.

No member to enter the premises of the Company without permission:

150. No member or other person (not being a Director) shall be entitled to enter upon the property of the

Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, to require discovering of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of the trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

Indemnity

151. 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.

Director's etc.,not liable for certain acts

152. Subject to the provision of section 192 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

Legal Proceedings

153.(i) Without derogation of powers vested in the Board of Directors or in the Managing / Whole-Time Director by virtue of any law or the Act or the Articles of the Company, the Managing Director/Whole-Time Director shall be empowered to institute, conduct, defend, compound or abandon any actions suits and legal proceedings, both civil and criminal on behalf of the Company and also compromise or submit the same for arbitration.

Further, any Director authorised by the Board shall be empowered to institute, conduct, defend, compound or abandon any actions suits and legal proceedings, both civil and criminal on behalf of the Company and also compromise or submit the same for arbitration.

(ii) The aforesaid persons may delegate the powers vested above to any other person.

Winding Up

154. If the Company shall be wound up and the assets available for distribution amongst members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up or deemed to be paid up at the commencement of the winding up on the shares held by them respectively. Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid up capital or capital deemed to be paid up together with interest at the rate agreed upon. The provisions of this article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.

Division of assets of the company in specie among members:

- 155.** The liquidators may with the sanction of a special resolution 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) and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such Trusts for the benefit of the members or any of them as the liquidators, with the like sanction, shall think fit.

SECTION XII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus and will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at, from the date of filing the Prospectus with RoC to Issue Closing Date on working days from 11.00 a.m. to 5.00p.m.

MATERIAL CONTRACTS

- 1) Memorandum of Understanding dated April 22, 2019 between our Company and the Book Running Lead Manager.
- 2) Mandate Letter dated [●] between our Company and Registrar to the Issue.
- 3) Public Issue Account Agreement dated [●] among our Company, the Book Running Lead Manager, the Public Issue Bank/Banker to Issue and the Registrar to the Issue.
- 4) Underwriting agreement dated [●] between our Company and Book Running Lead Manager, Mark Corporate Advisors Private Limited and [●].
- 5) Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and the Market Maker.
- 6) The Company has entered into tripartite agreement between NSDL, the Company and the Registrar to the Issue dated 20th April 2019
- 7) The Company has entered into tripartite agreement between CDSL, the Company and the Registrar to the Issue dated 20th April 2019
- 8) Syndicate Agreement dated [●] between our Company, BRLM and Syndicate Member.

MATERIAL DOCUMENTS

- 1) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Resolution of the Board dated March 11, 2019 authorizing the Issue.
- 3) Special Resolution of the shareholders passed at the EGM dated March 25, 2019 authorizing the Issue.
- 4) Copies of Audited Financial Statements of our Company for the period ended December 31, 2018 and financial year ending March 31, 2018, 2017 and 2016.
- 5) Statement of Special Possible Tax Benefits dated June 27, 2019 issued by Statutory & Peer Review Auditors, M/s. M. M. Reddy & Co, Chartered Accountants.
- 6) Report of the Statutory and Peer Review Auditor, M/s. M. M. Reddy & Co, Chartered Accountants, on the Restated Financial Statements for the period ended December 31, 2018 and financial year ending March 31, 2018, 2017 and 2016.
- 7) Copy of Certificate from the Statutory and Peer Review Auditors of our Company, M/s. M. M. Reddy & Co, Chartered Accountants, dated June 27, 2019 regarding the Eligibility of the Issue.
- 8) Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Review Auditor, Bankers to our Company, the Book Running Lead Manager, Underwriter, Registrar to the Issue, Market Maker to the Issue, Legal Advisor, Banker to the Issue/Public Issue Bank to the Issue, Syndicate member to act in their respective capacities.
- 9) Copy of approval from NSE *vide* letter dated [●] to use the name of NSE in the offer document for listing of Equity Shares on NSE Emerge Platform.
- 10) Due Diligence Certificates dated June 27, 2019 issued by the Book Running Lead Manager i.e. Mark Corporate Advisors Private Limited.
- 11) Copy of certificate from the Statutory & Peer Review Auditor of our Company, M/s. M. M. Reddy & Co, Chartered Accountants, regarding source and deployment of funds as on April 30, 2019.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the Regulations/Guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

Signed by the Directors and Key managerial personnel of our Company:

Prabhakara Rao Alokam

Whole Time Director & Chief Financial Officer

DIN: 02263908

Sd/-

Ashok Kumar Buddharaju

Whole Time Director & Chief Executive Officer

DIN: 03389822

Sd/-

Anitha Alokam

Whole Time Director

DIN: 07309591

Sd/-

Chalagalla Venkata Satyanarayana Murthy

Independent Director

DIN: 01830388

Sd/-

Indraganty Venkateswara Sarma

Independent Director

DIN: 02144740

Sd/-

Srinivasan Neti

Independent Director

DIN: 02677073

Sd/-

Hema Kumari

Company Secretary & Compliance Officer

Sd/-

Place : Hyderabad

Date : June 27, 2019