





ENSER COMMUNICATIONS LIMITED

CIN: U64200MH2008PLC182752

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
5 th Floor, 501-506, Arihant Aura Turbhe, Navi Mumbai, Sanpada Thane Thane Maharashtra – 400703, India	Plot No 217, 1 st Floor, Udyog Vihar Phase 1 Gurgaon, Haryana Sadar Bazar Gurgaon, Haryana – 122001, India	Ms. Muskan Company Secretary & Compliance Officer	solutions@enser.co.in ; 0124-4258077	www.enser.co.in
NAME OF PROMOTER(S) OF THE COMPANY				
Mr. Harihara Subramanian Iyer, Mr. Rajnish Omprakash Sarna, Mrs. Gayatri Rajnish Sarna and Mrs. Sindhu Saseedharan Nair				
DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS				
Type	Fresh Issue Size (by amount in Rs. Lakh)	OFS* Size (by amount in Rs. Lakh)	Total Issue Size (by amount in Rs. Lakh)	Eligibility & Share Reservation among NII & RII
Fresh Issue	Upto 23,10,000 Equity Shares aggregating to INR [•]	Nil	[•]	The Issue is being made pursuant to Regulation 229 of SEBI (ICDR) Regulations as the Company's post issue paid-up capital is less than 10.00 Cr. For details in relation to share reservation among NIIs and RIIs, see “Issue Structure” on page 314 of this Draft Prospectus.
*OFS: Offer for Sale				
Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto maximum of 10 shareholders)				
Name	Type	No. of shares offered/ Amount in Rs.	WACA in Rs. Per Equity Shares	
Nil				
P: Promoter, PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis				
RISKS 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. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [•] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 91 of this draft prospectus) 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 RISK				
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 21 of this Draft Prospectus.				
ISSUER’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft 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 make this Draft 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 offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [•] from National Stock Exchange of India Limited for using its name in the Draft Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.				
LEAD MANAGER TO THE ISSUE			REGISTRAR TO THE ISSUE	
<div> Fastrack Finsec Category-I Merchant Banker</div> <div>FAST TRACK FINSEC PRIVATE LIMITED SEBI Registration No. INM000012500 Office No. V-116,1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 IN Tel No.: +91-11-43029809 Contact Person: Mr. Vikas Kumar Verma Email: vikasverma@ftfinsec.com; investor@ftfinsec.com Website: www.ftfinsec.com</div>			<div> Skyline Financial Services Pvt. Ltd.</div> <div>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 Tel No: +91-11-40450193-97; Fax No: +91-11-26812683 Contact Person: Mr. Anuj Rana Email: ipo@skylinerta.com Website: www.skylinerta.com</div>	
OFFER PROGRAMME				
ISSUE OPENS ON: [•]			ISSUE CLOSES ON: [•]	

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ENSER COMMUNICATIONS LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "Enser Communications Private Limited" bearing Corporate Identification Number U64200MH2008PTC182752 dated May 28, 2008 issued by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into public limited company pursuant to a shareholders' resolution passed at an Extra Ordinary General Meeting held on August 18, 2023, and name of our Company was changed to "Enser Communications Limited" and a fresh Certificate of Incorporation dated September 11, 2023, was issued by Registrar of Companies, Mumbai. As on date of this Draft Prospectus, the Corporate Identification Number of our Company is U64200MH2008PLC182752. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 163 of this Draft Prospectus.

Registered Office: 5th Floor, 501-506, Arihant Aura Turbhe, Navi Mumbai, Sanpada Thane, Maharashtra- 400703 India

Corporate Office: Plot No 217, 1st Floor, Udyog Vihar, Phase 1, Gurgaon, Haryana Sadar Bazar Gurgaon Haryana-122001 India

Tel: 0124-4258077; **Website:** www.enser.co.in; **E-mail:** solutions@enser.co.in

Company Secretary and Compliance Officer: Ms. Muskan

PROMOTER(S): MR. HARIHARA SUBRAMANIAN IYER, MR. RAJNISH OMPRAKASH SARNA, MRS. GAYATRI RAJNISH SARNA AND MRS. SINDHU SASEEDHARAN NAIR

ADDENDUM & CORRIGENDUM TO THE DRAFT PROSPECTUS DATED JANUARY 18, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM & CORRIGENDUM")

INITIAL PUBLIC OFFER OF 23,10,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF ENSER COMMUNICATIONS LIMITED ("ISSUER" OR THE "COMPANY") FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE ("ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE), AGGREGATING TO RS. [•] ("THE ISSUE"), OUT OF WHICH, 1,18,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING TO RS. [•] WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 21,92,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN ISSUE PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING TO RS. [•] IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.50% AND 25.15%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 280 OF THIS DRAFT PROSPECTUS.

Potential Bidders may note the following

1. In terms of Regulation 2 (1) (oo) (ii) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Mrs. Gayatri Rajnish Sarna and Mrs. Sindhu Saseedharan Nair have been re-classified to Promoter Category by virtue of shareholding and control in the Management of the Company. In consequence to such addition in Promoters, the relevant portions of the Chapters namely "Definitions and Abbreviations", "Summary of Issue Document", "Capital Structure", "Our Business", Our History & certain other Corporate Matters and "Our Promoters" and "Our Promoter Group" beginning on Page 1, 14, 61, 123, 163, 191 and 193 of the Draft Red Herring Prospectus has also been updated.
2. The chapter titled 'Our business' beginning page 123 of the Draft Prospectus has been updated.
3. The Chapter titled "Risk Factors" beginning on page 21 of the Draft Prospectus has been updated.
4. The Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on page 251 of the Draft Prospectus has been updated.

LEAD MANAGER TO THE ISSUE	REGISTAR TO THE ISSUE
 Fastrack Finsec Category-I Merchant Banker FAST TRACK FINSEC PRIVATE LIMITED SEBI Registration No. INM000012500 Office No. V-116, 1st Floor, New Delhi House, Barakhamba Road, New Delhi -110001 Tel No.: +91-11-43029809 Contact Person: Mr. Vikas Kumar Verma Email: vikasverma@ftfinsec.com ; investor@ftfinsec.com Website: www.ftfinsec.com	 SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020 Tel No: +91-11-40450193-97; Fax No: +91-11-26812683 Contact Person: Mr. Anuj Rana Email: ipo@skylinerta.com Website: www.skylinerta.com
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ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

INDEX

SECTION I – GENERAL.....	1
DEFINITIONS AND ABBREVIATIONS.....	1
SECTION II - SUMMARY OF OFFER DOCUMENTS.....	2
SECTION III- RISK FACTORS.....	4
SECTION IV- INTRODUCTION THE ISSUE.....	23
GENERAL INFORMATION.....	23
CAPITAL STRUCTURE.....	25
OBJECTS OF THE ISSUE.....	29
BASIS FOR ISSUE PRICE.....	32
SECTION V – ABOUT THE COMPANY.....	33
OUR BUSINESS.....	33
OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS.....	35
OUR PROMOTERS.....	36
OUR PROMOTER GROUP.....	40
SECTION VI – FINANCIAL INFORMATION.....	41
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.....	41

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
Promoters or Our Promoters	Promoters of our company being Mr. Harihara Subramanian Iyer, Mr. Rajnish Omprakash Sarna, Mrs. Gayatri Rajnish Sarna and Mrs. Sindhu Saseedharan Nair.

SECTION II – SUMMARY OF OFFER DOCUMENTS

PROMOTERS

The promoters of our Company are Mr. Harihara Subramanian Iyer, Mr. Rajnish Omprakash Sarna, Ms. Gayatri Rajnish Sarna and Ms. Sindhu Saseedharan Nair.

For detailed information please refer chapter titled “Our Promoters” and “Our Promoter Group” on page number 191 and 195 respectively of this Draft Prospectus.

AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER

S. No.	Name of share holder	Pre-issue		Post-issue	
		No. of Equity Shares	%age of Pre-Offer Capital	No. of Equity Shares	%age of Post-Offer Capital
Promoters					
1.	Harihara Subramanian Iyer	21,66,004	33.81	21,66,004	24.85
2.	Rajnish Omprakash Sarna	36,06,000	56.29	36,06,000	41.37
3.	Gayatri Rajnish Sarna	601	0.01	601	0.01
4.	Sindhu Saseedharan Nair	601	0.01	601	0.01
Total – A		57,73,206	90.12	57,73,206	66.23
Promoter Group					
5.	Yash Rajnish Sarna	601	0.01	601	0.01
Total – B		601	0.01	601	0.01
Grand Total (A+B)		57,73,807	90.13	57,73,807	66.24

WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of shareholders	No. of shares bought or sold	Weighted Average Price (in Rs.)
Mr. Harihara Subramanian Iyer	21,62,400	0*
Mr. Rajnish Omprakash Sarna	36,00,000	0*
Mrs. Gayatri Rajnish Sarna	601	9.98#
Mrs. Sindhu Saseedharan Nair	601	9.98#

**In the preceding year, shares were acquired through Bonus.*

*** As Certified by M/s MukeshKumar Jain & Co., Chartered Accountants dated November 28, 2023.*

As Certified by M/s MukeshKumar Jain & Co. Chartered Accountants dated February 27, 2024.

AVERAGE COST OF ACQUISITION OF THE EQUITY SHARE FOR THE PROMOTER

The average cost of acquisition per Equity Share by our promoters which has been calculated by taking

the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Harihara Subramanian Iyer	21,66,004	0.12*
Mr. Rajnish Omprakash Sarna	36,06,000	0.12*
Mrs. Gayatri Rajnish Sarna	601	9.98**
Mrs. Sindhu Saseedharan Nair	601	9.98**

* As Certified by M/s MukeshKumar Jain & Co. Chartered Accountants dated November 28, 2023.

**As Certified by M/s MukeshKumar Jain & Co. Chartered Accountants dated February 27, 2024.

SECTION III – RISK FACTOR

INTERNAL & BUSINESS RISK FACTORS

1. Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays in the schedule of implementation or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds of the Issue for the purposes described in “Objects of the Offer” on page 81. The objects of the Issue and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. IPO Committee will monitor utilization of the Net Proceeds, the proposed utilization of Net Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

2. We have not entered into any formal contracts or exclusive arrangement with our suppliers from whom we procure equipment’s, plant and machinery. In the event, we are unable to procure such items at terms favourable to us, or at all, our business, financial condition and results of operations may be adversely affected.

The objects of the Offer include orders for plant and machinery. However, we are yet to place any orders for plant and machinery in relation to the Proposed Project. We have estimated the requirement of the plant and machinery for the Proposed Project based on quotations received from third-party vendors and as certified by Mr. Yogeshwar Kanu, an independent architect, pursuant to their report dated September 15, 2023. We cannot assure you that we will be able to acquire the plant and machinery required for the Proposed Project at the prices as quoted/ estimated to us by the vendors. Any delay in the acquisition of the plant and/ or machinery required for the Proposed Project could lead to time and cost overruns and may have a material adverse effect on our business, results of operations and financial condition. The completion of the Proposed Project is largely dependent on the performance of external agencies which are responsible for inter alia installation and commissioning of machinery and supply and testing of equipment. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and the results of operations. There can be no assurance that we will be able to complete the Proposed Project in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

3. We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of Enser Communications Limited from Enser Communications Private Limited pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which may have or provide with a time period validity or expiry, from time to time, as and when required in the ordinary course.

Also, we were a private limited company in the name of - Enser Communications Private Limited which was carrying business of providing business process management service. After conversion there was change of name of the company from - Enser Communications Private Limited to - Enser Communications Limited. We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company the same may adversely affect our business. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition and results of operations. For more information, see chapter "Government and Other Statutory Approvals" on page 265 of this Draft Prospectus.

4. If we are unable to renew our existing leases or secure new leases for our existing or premises, or offices on commercially acceptable terms, or if we fail to comply with the terms and conditions of our leases resulting in termination of our leases, it could have a material adverse effect on our business, financial condition and results of operations.

All our existing offices are on leased/licensed basis. For details on the duration of existing leases for our delivery centers, see "Our Business" on page 123. In the event that if we fail to comply with the terms and conditions of our lease or that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlord's title or ownership rights to such properties may entail incurring significant legal expenses and adversely affect our operations, a significant interest penalty for any delays in payment of rent and fixed price escalation clauses that provide for a periodic increase in rent. If our sales do not increase in line with our rent and costs, our profitability and results of operations could be adversely affected.

5. Our present promoters of the Company are first generation entrepreneurs.

Our present promoters are first generation entrepreneurs. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth.

6. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows.

We require information technology systems to manage our business operations. Our success depends on our ability to keep pace with rapid technological changes in the development and implementation of our services and solutions. There is a risk that we may not sufficiently invest in technology or industry

developments, or evolve our business with the right strategic investments, or at sufficient speed and scale, to adapt to changes in our market. Our failure to successfully adopt new technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of services we provide.

Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition. These and similar risks could have a negative effect on our business operations and financial performance.

7. Our business is subject to volatility due to change in technology and vulnerable to failures of our information technology systems, which may contribute to fluctuations in our results of operations and financial condition

Our information technology systems are a critical part of our business and help us managing our core business requirements. Any technical failures associated with our information technology systems, including those caused by power failures and computer viruses and other unauthorized tampering, may cause interruptions in our ability to provide services to our clients and delay the collection of income. In addition, we may be subject to liability as a result of any theft or misuse of personal information stored on our systems. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of systems, any of which could have a material adverse effect on our financial position and results of operations and harm our business and reputation.

8. We derive our significant amount of revenue from providing the service of Business Process Management and Customer Interaction Management Services. Any fall in demand of these services may adversely affect our business operations.

A major portion of Our business revenue is derived from providing Business Process Management and Customer Interaction Management Services. If there is a disruption in revenue our business, operational and financial results may be adversely affected.

Many factors may affect the demand for service which, including but not limited to:

- Cost-effectiveness, performance and reliability of our service.
- Public perceptions regarding the service provide by us.
- Fluctuations in economic and market conditions that may affect the viability of traditional and other alternative service.

9. Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the current and past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company has negative cash flows from our investing & financing activities in the current and previous years and in operating activities in current year as per the Restated Financial Statements and the same are summarized as under.

Net Cash Generated from	For the period September 30, 2023	For the period ending March 31, 2023	For the period ending March 31, 2022	For the period ending March 31, 2021
Operating Activities	89.97	(229.09)	162.35	88.22
Investing Activities	(10.58)	(96.48)	(37.98)	(138.02)
Financing Activities	73.01	266.37	(14.93)	(154.03)

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. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

10. We have not entered into any long term or definitive agreements with our customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.

We have not entered into any long term or definitive agreements with our customers, and instead rely on yearly or Short-term period contracts to govern the scope of service, pricing and other terms of sales of our products. Consequently, there is no commitment on the part of the customer to continue to source their requirements for a longterm period i.e. 5 years or more from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Additionally, our customers have high and exacting standards for quality as well as response schedules. Any failure to meet our customers' expectations could result in modification/amendment of contacts. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

11. We have a history of net losses and we anticipate increased expenses in our future. Any loss in future periods could adversely affect our operations and financial conditions and the trading price of our Equity Shares.

In Fiscal 2021, we had losses for the period/year of ₹ 11.74 Lakhs For further information, see "Restated Financial Information" on page 203. This was primarily on account of the impact of COVID-19 to the Insurance and travel industry in general and in particular on our operations. We expect our costs to increase over time and our losses may recur given the investments expected towards growing our business. These efforts may be costlier than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from maintaining or increasing profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, cash flows, financial condition and results of operations could be adversely affected along with an impact on the trading price of our Equity Shares. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may incur significant losses in the future.

12. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Return on Capital Employed, PAT Margin, Return on Equity, Gross Fixed Assets Turnover Ratio, Gross Profit, Gross Margin and Net Debt to EBITDA have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Accounting Standards and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Return on Capital Employed, PAT Margin, Return on Equity, Gross Fixed Assets Turnover Ratio, Gross Profit, Gross Margin and Net Debt to EBITDA etc have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Accounting Standards and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability. In addition, these are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

13. Our top 5 customers contributed 65.58%, 85.99%, 92.34% and 84.54% of our total revenue from operations for the Six months period ended September 30, 2023, for the year ended March 31, 2023, for the year ended March 31, 2022 and for the year ended March 31, 2021. Any loss of business from one or more of them may adversely affect our revenues and profitability.

The Company is primarily engaged in the providing the service of Information Technology/Information Technology Enabled Services and Customer Interaction Management Services. Further, our company has a small customer base, our top 5 customers contributed 65.58%, 85.99%, 92.34% and 84.54% of our total revenue from operations for the Six months period ended September 30, 2023, for the year ended March 31, 2023, for the year ended March 31, 2022 and for the year ended March 31, 2021. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We believe we have maintained good and long- term relationships with our customers, however, there can be no assurance that we will continue to have such long-term relationship with them. Also, any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. Our business is accordingly significantly dependent on us maintaining good relationships with our customers. In the event if we fail to comply with the terms and conditions of our agreements or that these existing agreements are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations.

The following table sets forth revenue from our top one, top three and top five in the years/ periods indicated:

(Amount in Lakhs)

Customer	For period ended September 30, 2023 (6 Months)	For financial year ended March 31, 2023	For financial year ended March 31, 2022	For financial year ended March 31, 2021
Top One	784.15	1468.84	856.82	639.47
Top Three	1078.09	2011.85	1437.04	757.44
Top Five	1181.50	2184.86	1532.96	781.09

14. Substantial portion of our revenues has been dependent upon one of our main clients. The loss of them would have a material adverse effect on our business operations and profitability.

Our Company revenue is substantially dependent on Acko General Insurance Limited. In the Last Three Financial Year 20-21, 21-22, 22-23 and for the Stub period. Company has generated revenue from Acko General Insurance Limited is 69.21%, 51.61%, 57.81% and 43.53% respectively. The loss of our major customer or a decrease in the volume of service may adversely affect our revenues and profitability. However, company has engaging new clients for the betterment of company and to avoid the dependency of creating revenue from few clients.

15. We operate in a competitive industry and any failure to compete effectively may result in a decline in our market share.

The market for information technology service is intensely competitive and continuously evolving. We view our primary competitors to be traditional global and local information technology companies. Our competitors may have greater financial resources, a more effective or established local business presence. Some of our competitors may have advantages over us in terms of greater operational, technical, management or other resources well as know-how of regulatory and political challenges in the geographies in which we operate or into which we intend to expand our operations.

A few competitors may undertake initiatives for higher backward integration which would enable them to compete on costs and have better margin performance. Furthermore, due to intense competition, there may be a decline in pricing for service, which may have an adverse impact on our results of operations and financial condition.

16. Our Company has availed certain secured and unsecured long-term loan facility amounting to Rs. 367.77 Lakhs that may be recallable on demand by the lender at any point of time.

As on March 31, 2023 of Draft Prospectus, our Company has unsecured loans amounting to Rs. 367.77 Lakhs secured and unsecured long-term loan facility that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

For further details of unsecured loans of our Company, please refer the chapter titled “Financial Information” on page 203 of this Draft Prospectus.

17. We do not own the premises in which our registered office is located and the same is on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.

Our registered office is presently located at 5th Floor, 501-506, Arihant AuraTurbhe, Navi Mumbai, Sanpada, Thane, Thane, Maharashtra – 400703, India. The Registered office is not owned by Company. The premises have been taken on lease basis for a period of five Years commencing from September 16, 2022. Upon termination of the lease, we are required to return registered office premises to the Lessor/Licensor, unless it is renewed. There can be no assurance that the term of the agreements will be renewed on commercially acceptable terms and in the event the Lessor/Licensor terminates or does not renew the agreements, we are required to vacate our registered office business where administrative activities are carried out. We may be required to identify alternative premises and enter into fresh lease or leave and license agreement at less favorable terms and conditions. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

18. We are subject to risks associated with expansion into new geographic regions.

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. To manage cultural differences, we encourage cosmopolitan culture across our offices in India and internationally and prior to undertaking any merger or acquisition in a new geography we also check compatibility of the new teams with our existing culture and employees.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

19. We depend on third parties for certain services. Any disruption, deficiency in service or increase in cost of such services could adversely affect our business, reputation, results of operations, cash flows and financial condition.

Our Company has majorly depended on the third-party suppliers for the services like the Power Backup, Internet and the telecommunication services which forms the major part of our business. Although, we believe that we have maintained stable relationships with these suppliers, we cannot assure you that we would be able to source these services from alternative sources, at acceptable prices or at all. We expect we will continue to rely on such third-party providers as we expand our business. However, these third parties may undergo insolvency, file for bankruptcy, experience disruptions, provide lower quality service or increase the prices of their products or services for a number of reasons that are beyond our control. As a result, we cannot be certain that we will continue to receive satisfactory services or products on acceptable terms or at all.

20. We rely on a limited number of third-party suppliers for some of our key components, services and products. Any shortage and cessation in supply from these suppliers could adversely affect our business, cash flows and results of operations.

We procure a substantial portion of our input services and components from a limited set of suppliers. A majority of critical services and components, such as Telecommunication and Internet, Gateway, technical support are sourced from very few sources to get the benefits of, amongst other things, price, supply chain and after sales efficiency. Although we believe we have maintained stable relationships with these suppliers, we cannot assure you that we would be able to source Internet and Telecommunication Services from alternative sources, at acceptable prices or at all, in the event we could not obtain such services/components/ handsets from our existing suppliers in an adequate quantity and timely manner for any reason and of good quality. Any failure to obtain Internet and Telecommunication services or components could interfere with our operations and cause our competitive positioning to suffer. In case of issues affecting regulatory compliance, we may be subject to damages due to non-performance liability, and delayed services, damage of data may adversely affect our brand and reputation.

We provide our after sales services through third party contractors. For providing such third-party services, we have entered into contracts with such third-party services providers. Although we believe we have maintained stable relationships with these services providers, we cannot assure you that we would be able to source quality service providers, at acceptable prices or at all, in the event we could not obtain services with existing suppliers or in the event of increase in number of locations for providing services. We depend on their expertise and rely on them to provide satisfactory levels of service. After-sales services, such as technical support and repair, are essential in order to maintain customer satisfaction with our products and create positive brand reputation. If these third-party providers fail to provide consistent quality service in a timely manner and sustain customer satisfaction, our operations and revenues could suffer.

21. Our Sales cycle in relation to certain services offered to clients may require significant investments of management time and capital resources in addition to significant commitments during the implementation cycle.

The services we provide to our clients require significant investment of resources and time by both our clients and us. Our potential clients may require us to provide pilot studies to assess the feasibility of integrating with our systems. In addition, implementing our services involves a significant commitment of resources over an extended period of time from both our clients and us. Our clients (including future clients) may not be willing or able to invest the time and resources necessary to implement our services, and we may fail to close sales with potential clients (on whom we would have devoted significant time and resources), which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Implementation processes, including integration of the client's systems with ours, are subject to a number of potential delays similar to those affecting our Sales. Revenues are recognized only on actual provision of services and the benefit of a client acquisition may be delayed in case of any delay in implementation or ramp up.

22. Limitations in Ensuring Customer Satisfaction with Employee Services

Quality monitoring for calls is a fundamental practice for businesses aiming to enhance customer service and maintain operational excellence. We adhere to a comprehensive Transaction Monitoring Process as a strategic approach to assessing and enhancing the quality of our services. This process involves systematically sampling calls from the entire population of voice interactions. By scrutinizing samples, we aim to gauge the correctness of the information provided during these calls.

The Transaction Monitoring Process is designed to serve as a reliable benchmark for evaluating the performance and effectiveness of our employees in delivering accurate and informative responses to customers. Through this methodical sampling, we gain valuable insights into the overall service quality and the extent to which our team meets the established standards. This process serves as a means of quality control, allowing us to identify areas of strength and areas that may require improvement. By systematically assessing the correctness of information relayed in these calls, we can make informed decisions about refining training programs, implementing corrective measures, and continuously improving our services.

However, while this process is a robust tool for quality assessment, it does not provide an absolute guarantee that every customer interaction meets their satisfaction. Factors beyond the scope of sampling, such as individual preferences, dynamic customer needs, and the complexity of certain inquiries, contribute to the dynamic nature of service outcomes.

Therefore, we acknowledge the inherent limitations and variations in customer expectations. Despite our commitment to the Transaction Monitoring Process, we cannot assure with absolute certainty that the quality of services provided by our employees will always align perfectly with every customer's satisfaction. However, our dedication to continuous improvement ensures that we actively address identified areas of enhancement to strive for excellence in customer service.

23. Security breaches and any disruption to our information technology could adversely impact our business

Our business involves the processing, storage and transmission of large amounts of data including personnel and payment information, about our Associate Employees, clients, a portion of which is confidential and/ or potentially sensitive. In doing so, we rely on our own technology and systems, and those of third-party vendors for a variety of processes. Cyber-attacks, including attacks against our industry and against us in particular, may disable or damage our systems.

We seek to protect our computer systems and network infrastructure from security breaches and other disruptive problems caused by our increased internet connectivity. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A failure in security measures could have a material adverse effect on our business and our future financial performance.

Our business relies on information technology to operate on a daily basis. Further, the Data storage is for specific periods and purged as per the information security policy. The success of our businesses depends in part upon the ability to store, retrieve, process and manage substantial amounts of information. Any disruption in our information technology systems could render us unable to operate our business. This could adversely affect our business, reputation and revenues.

24. Unauthorized disclosure of sensitive or confidential client and client's customer data, whether through a breach of our computer systems or otherwise, could expose us to protracted and/or costly litigation and cause us to lose clients.

We are typically required to collect and store sensitive data in connection with our services. We take precautions to protect confidential client and client's customer data. However, if any person, including any of our employees, penetrates our network security or otherwise misappropriates sensitive data, we could be subject to significant liability claims from our clients or their own customers for breaching contractual confidentiality provisions or privacy laws. Further, penetration of the network security of our data centers could have a negative impact on our reputation, which could harm our business.

25. We face substantial competition in the BPM services business, both from Indian and international companies, which may adversely affect our revenues.

We face significant competition from existing players and potential entrants in the BPM services business. We will face competition mainly from large vertically integrated and diversified companies as well as new companies. We compete with our competitor, in a variety of ways, including on cost, quality and speed of service, functionality, ease of use and performance of systems, the range of services offered to clients and technological innovation and reputation. Increased competition and fail to compete successfully, our business, financial condition and operations could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have an adverse effect on our business, results of operations and financial condition.


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


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

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

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 81 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan, current trade cycle. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements may increase. The deployment of the funds as stated under chapter —Objects of the Issue, is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

28. Our Logo  is not registered. In case of no registration our brand building efforts may be hampered which might lead to an adverse effect to our business.

We have made application on October 17, 2023 vide application number 6153089 for  registration of Our Logo/Trademark under the Trademark Act, 1999 for getting the same registered.

There is no guarantee that the application for registration of our logo  will be accepted in favour of the Company. In case of rejection of said application, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

29. We may not have sufficient insurance coverage to cover all possible losses.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions, limitations of liability set forth in our contracts may not be enforceable in all instances or may not otherwise protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. Although we believe we have adequate insurance coverage but that coverage may not continue to be available on reasonable terms or to be available in sufficient amounts to cover one or more large claims. Insurance coverage may be an inadequate remedy where the loss suffered is not easily quantifiable, for example, in the event of severe damage to our reputation. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

30. In addition to our own data centre, we also rely on third-party data centres and cloud computing providers, and any interruption or delay in service from these facilities could impair the delivery of our platform and products and adversely impact our business and results of operations.

As we grow and continue to add new third-party data centres and cloud computing providers and expand operations through our own and third-party data centres and cloud computing providers, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our platform and products. Any damage to, or failure of, our systems, or those of our third-party data centres or cloud computing providers, could result in interruptions on our products platform or damage to, or loss or compromise of, our data and our customers' data. Any impairment of our or our customers' data or interruptions in the functioning of our platform and products, whether due to damage to, or failure of, third-party data centres and cloud computing providers or unsuccessful data transfers, may reduce our revenue, result in significant fines, cause us to issue credits or pay penalties, subject us to claims for indemnification and other claims, litigation or disputes, result in regulatory investigations or other inquiries, cause our customers to terminate their contracts and adversely affect our reputation, renewal rates and our ability to attract new customers. Our business will also be harmed if our existing and potential customers believe our platform and products are unreliable or not secure.

31. Technological changes, evolving customer requirements and emerging industry trends may affect our business, may render our current technologies obsolete and may require us to make substantial capital investments.

Our business functions in a high technology sector and our future success depends, in part, on our ability to respond to technological advances, evolving customer requirements and emerging industry standards and practices on a cost-effective and timely basis. we cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to evolving customer requirements or emerging industry standards.

If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, our business, financial condition and results of operations could be materially and adversely affected.

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

We have entered into various transactions with our Directors/ Promoter and Promoter Group members. These transactions, inter-alia include, remuneration, loans and advances, etc. For details, please refer to "Annexure-AF- Related Party Transactions" under Section titled "Financial Information of the

Company” at page no. 237 of this Draft Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act, 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

33. Our Company, Promoters, and Directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our Company, Promoter and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to our Company Promoter and Directors as on the date of this Draft Red Herring Prospectus have been provided below in accordance with the materiality policy adopted by our Board. For details kindly refer the chapter titled “Outstanding Litigation and Material Developments” beginning on page no. 261 of this Draft Red Herring Prospectus.

Particulars	No. of Cases	Total Amount Involved
Proceedings against our Company	Nil	NA
Civil	Nil	NA
Criminal	Nil	NA
Tax*	1	41.04
Proceedings by our Company	Nil	NA
Civil	Nil	NA
Criminal	Nil	NA
Tax	Nil	NA
Proceedings against our Promoters	Nil	NA
Civil	Nil	NA
Criminal	Nil	NA
Tax	Nil	NA
Proceedings against by Promoters	Nil	NA
Civil	Nil	NA
Criminal	Nil	NA
Tax	Nil	NA

* The Company had opted for Vivad se Vishwas Scheme of the Government of India and had settled the demand. The same has not been updated on the portal, however the Company has all the challans and acknowledgements in its record.

We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoter, and Directors, as the case may be, or that no further liability will arise out of these proceedings. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Financial Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition. Further, there is no assurance that legal proceedings will not be initiated against our Company, its directors,

Promoters in future. For details kindly refer the chapter titled “Outstanding Litigation and Material Developments” beginning on page no. 261 of this Draft Red Herring Prospectus.

34. Delay in making any Statutory payments viz. Tax Deducted at Source, Income Tax, Good and Service Tax, Employee Provident Fund, ESIC or any other Statutory dues which may attract any penalty or demand raised by statutory authorities in future will affect financial position of the Company.

Our Company is engaged in the service providing business, which attracts tax liability such as Goods and Service tax and Income tax and other Statutory taxes as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. We have made delay in certain payment and Filing of GST Returns in past years due to some beyond control reasons. Any demand or penalty imposed by the concerned authority in future for late payments or non-payments, both for any previous year and current year, will have an impact on the financial position of the Company. For instance, our company has previously experienced delayed filing of GST Returns due to operational reasons, leading to the payment of late fees and penalties. Any demands or penalties raised by the concerned GST authority for such late filings may affect the company's financial position."

35. The average cost of acquisition of Equity Shares by our Promoter is lower than the issue price.

Our Promoter average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this Draft Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to page no. 19 of this Draft Prospectus.

36. Some of our Directors (including promoter) hold equity shares in our company and therefore interested in our company's performance in addition to their remuneration and reimbursement of expenses.

Some of our Directors/Promoter are interested in our Company to the extent of their shareholding, dividend rights, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors or promoters would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors or Promoter will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting.

For details relating to benefits and reimbursement of expenses to some of our directors, please refer to section title “Our Management”, “Our Promoters”, “Promoters’ Group” and Annexure AF “Related Party Transaction in chapter titled “Restated Financial Statement” on page no. 169, 191, 195 & 237 respectively of this Draft Prospectus.

37. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in the last three (3) Years.

Our Company may incur penalties or liabilities for non-compliance with certain provisions including lapsed/ made delay in certain filings and/or erroneous filing/ non-filing of e-forms under Company Act applicable to it in the past years. Such non-compliances/delay Compliances/ erroneous filing/ Non-Filing/ Non-Registration may incur the penalties or liabilities which may affect the results of operations and financial conditions.

38. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company even after the completion of the Issue which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoters and Promoter Group will collectively own 66.25% of our post issue equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

39. We are unable to trace some of our historical records including forms filed with the Registrar of Companies

Our company has missed to comply with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which includes non-filing of form DPT 3 for FY 2019-20. Further, our Company has not filed e-form CHG-1 for creation of charge on certain vehicle loans in the past, which is a non-compliance of Section 77 of the Companies Act, 2013.

Further certain of our corporate records in relation to annual returns and financial statements namely form 23ACA for FY 2009-10, 2012-13 filed with the Registrar of Companies are not traceable in the historical records maintained by our Company, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. We have obtained search report dated August 31, 2023 from Neena Deshpande & Co., practicing company secretary in relation to such untraceable corporate records. Accordingly, we have relied on the other corporate records maintained by the Company. While no legal proceedings or regulatory action has been initiated against us in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future in relation to the missing filings and corporate records. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

Further, there are certain forms which are filed with delayed fees with ROC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

40. Our success depends largely on our senior management and other key personnel and our ability to attract and retain them.

Our future performance would depend on the continued service of our Promoters, Senior Management, Key Managerial Personnel, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, cash flows, financial condition, results of operations and prospects. While there has been no instance in the last three Fiscals and six months ended September 30, 2023 where the resignation of any Senior Management or Key Managerial Personnel had an adverse impact on our business, results of operations, cash flows or

financial conditions, there is no assurance that such instance will not arise in the future. Our future success, amongst other factors, will depend upon our ability to continue to attract, train and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping.

41. Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, cash flows and results of operations.

Our activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on December 31, 2023, we had 780 employees. We may be subject to industrial unrest, slowdowns, and increased employee costs, which may adversely affect our business, financial conditions, cash flows and results of operations. While we consider our relationship with our employees to be good and there has been no such instance in the three Fiscals and six months ended September 30, 2023, however we could experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our business operations.

Further, work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, cash flows and results of operations. While there has been no instance in the last three Fiscals and six months ended September 30, 2023 where we experienced work stoppages due to strikes or labour unrest that resulted in closure of our operations, there is no assurance that we may not experience any such events in the future.

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

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakh. Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. Hence, the Company has not appointed a monitoring agency to monitor the utilization of Issue proceeds. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details regarding our dividend policy, please see—Dividend Policy on page no. 202 of this Draft Prospectus.

44. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.

We have issued and allotted Equity Shares at a price which may be lower than the Offer Price in the period of 12 months preceding the date of Prospectus. For further details, see “Capital Structure – Notes to the capital structure – History of Equity Share capital of our Company” on page 61. The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing. We cannot assure you that the Equity Shares to be issued in the future will be at or lower than the Offer Price.

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

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

46. Delay in raising funds from the IPO could adversely impact the growth rate.

The proposed use of issue proceeds, as detailed in the section titled “Objects of the Issue” on page no. 81 is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule which may adversely impact the growth rate of our Company. We, therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

47. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the

listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

48. We cannot assure you that our equity shares will be listed on the NSE Emerge in a timely manner or at all, which may restrict your ability to dispose of the equity shares.

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Draft Prospectus listed on NSE emerge platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the Emerge platform of NSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

49. Sale of Equity Shares by our Promoters or other significant shareholder(s) or any future issue of Equity Shares may dilute your shareholding and adversely affect the trading price of the Equity Shares.

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

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

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

51. We operate in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

India is our primary market and we face high competition in our business from local as well as national players in our industry. Our key products are available from a large number of players providing same or similar products in our industry. Thus, factors affecting our competitive success include, amongst other things, price, demand for our services, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously invest in our brand awareness, increase our distribution channel, strive to reduce our costs and improve our operating efficiencies. If we fail to do so, our competitors may be able to provide their service at prices lower than our prices, which would have an adverse effect on our market share and financial health of the company. Our competitors vary in size, and may have better financial, marketing personnel and other resources than our company and few of our competitors have a longer history and reputation in the Indian market as compared to us. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our services, which may result in a decline in our revenues and profitability.

52. Industry information included in this Draft Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Prospectus.

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

Following the Issue, we will be subject to a daily circuit breaker imposed by NSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

54. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to our Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled — Basis for Issue Price beginning on page no. 91 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure

you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation.


The following:


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

SECTION IV – INTRODUCTION

GENERAL INFORMATION

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Lead Manager to the Issue	Registrar to the Issue
 Fastrack Finsec <small>Category-I Merchant Banker</small>	
Fast Track Finsec Private Limited	Skyline Financial Services Private Limited
Address: Office No. V-116, 1 st Floor, New Delhi House, Barakhamba Road, New Delhi – 110001	Address: D-153 A, 1 st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
Tel No.: +91 – 011-43029809	Tel No: +91- 11-40450193-97;
Fax No. Not Available	Fax No: +91-11-26812683
Email: vikasverma@ftfinsec.com	Email: ipo@skylinerta.com
Website: www.ftfinsec.com	Website: www.skylinerta.com
Contact Person: Mr. Vikas Kumar Verma	Contact Person: Mr. Anuj Rana
SEBI Registration No. INM000012500	SEBI Registration No.: INR000003241

Banker to the company	Banker to the Issue & Sponsor bank
	[●]
Axis Bank Limited	[●]
Address: Shanti Vaibhav CHS, Ground Floor Sector 42A, Seawoods Nerul West Navi Mumbai - 400706	Address: [●]
Tele. No.: 9619160525	Tele. No.: [●]
E-mail: nerul.operationshead @axisbank.com	E-mail: [●]
Website: www.axisbank.com	Website: [●]
Contact Person: Mrs. Nikita Bhongade	Contact Person: [●]

Market Maker	Peer Reviewed/ Statutory Auditor
[●]	M/s MukeshKumar Jain & Co.

[•]	Chartered Accountants
Address: [•]	Address: Ch. No. 103, D- 288-89/10, Wadhwa Complex, Near Laxmi Nagar Metro Station, Gate No. 1, Laxmi Nagar, Delhi - 110092
Tel No.: [•]	Tel No. +91-8875677567 Fax No. [•]
Email: [•]	Email: carochakgupta@gmail.com
Website: [•]	Contact Person: Mr. Rochak Gupta
Contact Person: [•]	Firm Registration No.: 106619W
SEBI Registration No.: [•]	Peer Review Certificate No. 013342

Legal Advisor
Aman Thukral, Advocate
Address: 701, 7 th Floor, Prakashdeep Building, 7, Tolstoy Marg, New Delhi – 110001
Mobile. No.: +91-9891602513
Email Id: amanthukral@outlook.com
Contact Person: Mr. Aman Thukral
Enrollment no.: D/3041/2018

CAPITAL STRUCTURE

2. History of Equity Share Capital of our Company

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

Sr. No.	Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Ratio	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Cumulative Securities premium (Rs.)
1.	On Incorporation	10,000	10	N.A.	Cash	Subscription to MOA	-	10,000	1,00,000	N.A.
2.	25.09.2023	659	10	6752.38	Cash	Right Issue	0.0659:1	10659	1,06,590	44,43,228
3.	17.11.2023	63,95,400	10	NA	NA	Bonus Issue	600:1	64,06,059	6,40,60,590	0

3. Shareholding of the Promoters of our Company

As on the date of this Draft Prospectus, our Promoters – Mr. Harihara Subramanian Iyer, Mr. Rajnish Omprakash Sarna, Mrs. Gayatri Rajnish Sarna and Mrs. Sindhu Saseedharan Nair holds total 57,73,206 Equity Shares representing 90.12% of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment / transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
Mr. Harihara Subramanian Iyer							
Incorporation	Subscriber to MOA	2750	10	10	Cash	N.A.	0.04
10.04.2017	Transfer	1045	10	218.182	Cash	Varun Dua	0.02
30.06.2023	Transfer	(1)	10	6,000	Cash	Chandrasekaran Krishnamurthy	Negligible
30.06.2023	Transfer	(1)	10	6,000	Cash	Sindhu Saseedharan Nair	Negligible
07.11.2023	Transfer	(17)	10	60,021	Cash	Ayush Agarwal	Negligible
07.11.2023	Transfer	(25)	10	60,021	Cash	Sourav Choudhary	Negligible
07.11.2023	Transfer	(20)	10	60,021	Cash	Rajesh Bathwal	Negligible
07.11.2023	Transfer	(25)	10	60,021	Cash	Vivek Doda	Negligible
07.11.2023	Transfer	(25)	10	60,021	Cash	Arpit Dokania HUF	Negligible
08.11.2023	Transfer	(12)	10	60,021	Cash	Deepu Nagpal Rupesh	Negligible
08.11.2023	Transfer	(9)	10	60,021	Cash	Shubham Jain	Negligible
08.11.2023	Transfer	(13)	10	60,021	Cash	Rupesh Nagpal	Negligible
08.11.2023	Transfer	(18)	10	60,021	Cash	Rishabh Jain	Negligible
10.11.2023	Transfer	(25)	10	60,021	Cash	Mytash Financial Advisors Pvt Ltd	Negligible
17.11.2023	Bonus Issue	21,62,400	10	Nil	Other than Cash	N.A.	33.75%
Total		21,66,004	-	-	-	-	33.81%

Mr. Rajnish Omprakash Sarna							
Incorporation	Subscriber to MOA	4500	10	10	Cash	NA	0.07
10.04.2017	Transfer	1705	10	218.182	Cash	Varun Dua	0.03
30.06.2023	Transfer	(1)	10	6,000	Cash	Gayatri Rajnish Sarna	Negligible
30.06.2023	Transfer	(1)	10	6,000	Cash	Yash Rajnish Sarna	Negligible
30.06.2023	Transfer	(1)	10	6,000	Cash	Nikhil Agarwal	Negligible
01.11.2023	Transfer	(9)	10	60,021	Cash	Shubham Jain	Negligible
01.11.2023	Transfer	(18)	10	60,021	Cash	Ankur Gupta	Negligible
02.11.2023	Transfer	(100)	10	60,021	Cash	Nikunj Kumar Sultania	Negligible
02.11.2023	Transfer	(75)	10	60,021	Cash	Ashish Poddar	Negligible
17.11.2023	Bonus Issue	36,00,000	10	Nil	Other than Cash	-	56.19
Total		36,06,000	-	-	-	-	56.29%
Mrs. Gayatri Rajnish Sarna							
30.06.2023	Transfer	1	10	6,000	Cash	Rajnish Omprakash Sarna	Negligible
17.11.2023	Bonus Issue	600	10	Nil	Other than Cash	-	Negligible
Total		601	-	-	-	-	Negligible
Mrs. Sindhu Saseedharan Nair							
30.06.2023	Transfer	1	10	6,000	Cash	Harihara Subramanian Iyer	Negligible
17.11.2023	Bonus Issue	600	10	Nil	Other than Cash	-	Negligible
Total		601	-	-	-	-	Negligible

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

6. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and “public” before and after the Issue:

S. No.	Name of share holder	Pre-issue		Post-issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
Promoters					
1.	Harihara Subramanian Iyer	21,66,004	33.81	21,66,004	24.85
2.	Rajnish Omprakash Sarna	36,06,000	56.29	36,06,000	41.37
3.	Gayatri Rajnish Sarna	601	0.01	601	0.01
4.	Sindhu Saseedharan Nair	601	0.01	601	0.01
Total – A		57,73,206	90.12	57,73,206	66.23
Promoter Group					
5.	Yash Rajnish Sarna	601	0.01	601	0.01
Total – B		601	0.01	601	0.01
Public					
6.	Nikhil Agarwal	601	0.01	601	0.01
7.	Chandrasekaran Krishnamurthy	601	0.01	601	0.01
8.	Nikhil Agarwal HUF	2,99,899	4.68	2,99,899	3.44
9.	Nidhi Uniyal	51,085	0.80	51,085	0.59
10.	Kavya Gupta	45,075	0.70	45,075	0.52
11.	Ashish Poddar	45,075	0.70	45,075	0.52
12.	Nikunj Kumar Sultania	60,100	0.94	60,100	0.69
13.	Arpit Dokania HUF	15,025	0.23	15,025	0.17
14.	Sourav Choudhary	15,025	0.23	15,025	0.17
15.	Ayush Agarwal	10,217	0.16	10,217	0.12
16.	Rupesh Nagpal	7,813	0.12	7,813	0.09
17.	Deepu Rupesh Nagpal	7,212	0.11	7,212	0.08
18.	Vivek Doda	15,025	0.23	15,025	0.17
19.	Rajesh Bathwal	12,020	0.19	12,020	0.14
20.	Mytash Financial Advisors Pvt Ltd	15,025	0.23	15,025	0.17
21.	Ankur Gupta	10,818	0.17	10,818	0.12
22.	Rishabh Jain	10,818	0.17	10,818	0.12
23.	Shubham Jain	10,818	0.17	10,818	0.12
24.	IPO	-	-	23,10,000	26.50
Total-C		6,32,252	9.87	29,42,252	33.75
Grand Total (A+B+C)		64,06,059	100.00	87,16,059	100.00

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Harihara Subramanian Iyer*	21,66,004	0.12
Mr. Rajnish Omprakash Sarna*	36,06,000	0.12
Mrs. Gayatri Rajnish Sarna**	601	9.98
Mrs. Sindhu Saseedharan Nair**	601	9.98

* As Certified by M/s MukeshKumar Jain & Co. Chartered Accountants dated November 28, 2023.

**As Certified by M/s MukeshKumar Jain & Co. Chartered Accountants dated February 27, 2024.

OBJECTS OF THE ISSUE

2. Working Capital Requirements:

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and loans. For further details, please refer to the chapter titled “Financial Indebtedness” on page number 247. The details of Company’s working capital as at March 31, 2023 and for the period ended September 30, 2023 and the source of funding, on the basis of Restated Financial Statements, as certified by our Statutory and Peer Review Auditor, M/s MukeshKumar Jain & Co., Chartered Accountants, vide their report dated January 11, 2024 are provided in the table below. Further, in light of the incremental business requirements and establishment of new proposed Service unit, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2024 and Fiscal 2025. On the basis of our existing working capital requirements and the projected working capital requirements, the breakup of such working capital requirements year wise is given in the table below:

(Amount in Lakhs)

Statement of Working Capital Requirements						
	31.03.2021	31.03.2022	31.03.2023	30.09.2023	31.03.2024	31.03.2025
	(Audited)	(Audited)	(Audited)	(Audited)	(Projected)	(Projected)
Current Assets						
Inventories	-	-	-	-	-	-
Trade Receivables	27.05	38.07	487.87	690.89	597.00	1,052.00
Cash and Cash Equivalents	307.05	395.17	360.02	513.46	603.81*	375.50
Short-term Loans and Advances	1.26	2.40	4.29	36.58	35.00	50.00
Other Current Assets	22.57	29.35	36.80	20.42	110.50	143.00
Total (A)	357.93	464.99	888.98	1261.35	1,346.31	1,620.50
Current Liabilities						
Short-Term Borrowings	81.32	155.91	68.88	176.76	125.00	125.00
Current maturity of Long-term Borrowings	120.67	38.60	195.23	224.80	221.92	143.97
Trade Payables	43.36	80.73	55.77	87.91	45.00	60.00
Short-Term Provisions	3.88	11.71	13.79	9.70	18.13	25.48

Other Current Liabilities	170.13	219.05	273.57	316.10	215.02	383.33
Total (B)	419.36	506.00	607.24	815.27	625.07	737.78
Net Working Capital (A)-(B)	(61.43)**	(41.01)**	281.74	446.08	721.24	882.72

Sources of Working Capital						
Working Capital Funding through IPO					162.00	275.00
Internal Sources/Share Capital/Borrowings					559.24	607.72

*Includes unutilized amount of Rs. 275 Lakhs deposited in Escrow Account.

1. The above stated note is to represent the unutilized proceeds of the issue that will be deposited in the Escrow Account.
2. The Company estimates that this amount will be fully utilized in the financial year 2024- 25.

** In the year 2021 and 2022 the working capital requirement of the Company was negative due to covid-19 situations, largely the business was done on cash basis.

Justification for Incremental Working Capital Requirement of the Company in FY 2024 and 2025:

Since last couple of years', the company expanded its operations aggressively, added new clients, expanded its operations in Delhi-NCR, added new working facilities, undertook expansion to increase its revenue and profitability, and obviously to expand its business, the Company offered relaxed credit terms to its customers, have to keep buffer strength for its overheads, and all resulted in incremental working capital requirement.

New clients, and government projects asked/require relaxed/longer credit periods and the company, to ensure smooth operations that too from different locations/service units, has to keep buffer for certain business needs as well, which is resulting in increased working capital requirements, more elaboratively discussed herein under:

Receivables/Debtors days:

In terms of the pre-defined long-term business growth plans, the Company is expanding its business both in terms of service offerings and geographies, and to get new clients, enter into new business segments, government contracts, the Company need to extend little bit more credit/relaxed payment terms, has to fund transit period, all resulting into increase in debtors' days.

And accordingly, we have estimated debtors' levels at 48 days and 47 days in our projected financials for financial year 2023-2024 and 2024-25 respectively, which is with the increased estimated levels of operations, existing payment terms, and industry trends are justified, though Trade Receivable days stood at 69 days in the financial year 2022-23, because the business of the company growing rapidly and got major operational revenues in last months of the fiscal year.

Trade Payables Days:

Whereas on supply side we have limited supplier who extend credits, but they also have upper cap both in terms of amount and period, so creditors in terms of days does not increase in proportion of the scale.

Though, Trade Payables days have been very high in recent past, 31 days and 85 of total expenses excluding employee benefit expenses, depreciation & amortization, finance costs and tax expense incurred in financial year 2022-23 and in financial year 2021-22 respectively, due to lower levels of operations and acquisitions of the equipment's, at the end of the year.

However, now the levels of operations have almost optimized, and in addition to the vendors cap on their credit, we also would like to get benefitted by offering them faster payments to negotiate better terms and finer pricing with increased liquidity, and accordingly in estimated financials, we have estimated creditor days at 16 days for financial year 2023-24 and 12 days in financial year 2024-25.

Short-Term Loans & Advances and Other Current Assets:

Short Term Loans and advances includes, advances to suppliers and advance to employees. We expect Short Term Loans and Advances to increase commensurate with the business volumes, to ensure uninterrupted availability of resources and cost effectiveness. Similarly, Other current assets, includes GST (ITC Balance), Income Tax Refund Receivables, Prepaid Expenses, shall increase in line with the volume of business.

BASIS OF ISSUE PRICE

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

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

Following are the details based on last 5 Primary or Secondary transactions not older than 3 years prior to the date of filing of Draft Prospectus, as there are no such transactions to report under Clause (a & b):

The price per share of our Company based on the secondary sale/ acquisition of shares:

Date of Transfer	Transferor	Transferee	No of Equity Shares	FV of Equity Share	Transfer Price per share	Nature of consideration	Total Consideration
30.06.2023	Harihara Subramanian Iyer	Chandrasekaran Krishnamurthy	1	Rs. 10/-	6,000	Cash	6,000
30.06.2023		Sindhu Saseedharan Nair	1		6,000	Cash	6,000
07.11.2023		Ayush Agarwal	17		60,021	Cash	10,20,357
07.11.2023		Sourav Choudhary	25		60,021	Cash	15,00,525
07.11.2023		Rajesh Bathwal	20		60,021	Cash	12,00,420
07.11.2023		Vivek Doda	25		60,021	Cash	15,00,525
07.11.2023		Arpit Dokania HUF	25		60,021	Cash	15,00,525
08.11.2023		Deepu Rupesh Nagpal	12		60,021	Cash	7,20,252
08.11.2023		Shubham Jain	9		60,021	Cash	5,40,189
08.11.2023		Rupesh Nagpal	13		60,021	Cash	7,80,273
08.11.2023		Rishabh Jain	18		60,021	Cash	10,80,378
10.11.2023		Mytash Financial Advisors Pvt Ltd	25		60,021	Cash	15,00,525
30.06.2023	Rajnish Omprakash Sarna	Gayatri Rajnish Sarna	1	Rs. 10/-	6,000	Cash	6,000
30.06.2023		Yash Rajnish Sarna	1		6,000	Cash	6,000
30.06.2023		Nikhil Agarwal	1		6,000	Cash	6,000
01.11.2023		Shubham Jain	9		60,021	Cash	5,40,189
01.11.2023		Ankur Gupta	18		60,021	Cash	10,80,378
02.11.2023		Nikunj Kumar Sultania	100		60,021	Cash	60,02,100
02.11.2023		Ashish Poddar	75		60,021	Cash	45,01,575
Date of Transfer	Transfer ee	Transferor	No of Equity Shares	FV of Equity Share	Transfer Price per share	Nature of consideration	Total Consideration
30.06.2023	Gayatri Rajnish Sarna	Rajnish Omprakash Sarna	1	Rs. 10/-	6,000	Cash	6,000
30.06.2023	Sindhu Saseedharan Nair	Harihara Subramanian Iyer	1	Rs. 10/-	6,000	Cash	6,000

OUR BUSINESS

BACKGROUND OF COMPANY

Our Company was originally incorporated as a Private Limited Company under the Companies Act, 1956 in the name and style of “Enser Communications Private Limited” bearing corporate identification number U64200MH2008PTC182752, dated May 28, 2008 issued by the Registrar of Companies, Mumbai. Subsequently, the name of our company was changed to “Enser Communications Limited” pursuant to a shareholders’ resolution passed at an Extra-ordinary general meeting held on August 18, 2023, and a fresh Certificate of Incorporation dated September 11, 2023 was issued by Registrar of Companies, Mumbai bearing corporate identification number U64200MH2008PLC182752.

As on date of this Draft Prospectus the Corporate Identification Number of our Company is U64200MH2008PLC182752.

The Registered office of our Company is situated at 5th Floor, 501-506, Arihant Aura Turbhe, Navi Mumbai, Sanpada, Thane, Thane, Maharashtra – 400703, India.

Mr. Rajnish Omprakash Sarna, Mr. Harihara Subramanian Iyer, Mrs. Gayatri Rajnish Sarna and Mrs. Sindhu Saseedharan Nair are the promoters and Key Management personnels of the Company. Our promoters bring extensive industry experience to the table, with Chairman and Managing Director Rajnish Sarna having an impressive track record spanning over 3 decades. He is ably supported by Harihara Iyer Subramanian, who possesses hands-on expertise in business operations and IT specialization.

Our Company is a NASSCOM certified member and has obtained certifications such as ISO/IEC 27001:2013, ISO 9001:2015. In year 2022, we have been awarded as incredible BPO brand of the year at IBI awards platform. we have also empaneled with National Health Authority a Government of India Entity in February, 2022 and State Health Authority, Gujrat, December 2023.

Recently our company has expanded the service providing capacity of business activity the company by setting up following service facilitating offices:

- a) 31A, Udyog Vihar in August, 2022 with a workstation capacity of 701 seats.
- b) Arihant Aura, Navi Mumbai in September, 2022 with a workstation capacity of 216 seats.
- c) Set up New Office Space at Bangalore in November, 2022.
- d) EFC Tower, Navi Mumbai in May, 2023 with a workstation capacity of 221 seats.

Further, as a part of expansion of business activity the company is setting up a new service unit at 104, Udyog Vihar, Phase 4 Gurugram, Haryana with 500+ seats capacity, to provide and facilitate customer acquisition and other BPM services to our clients. For details refer to “Objects of the issue” on page 81 of Draft Red Herring Prospectus.

FUTURE BUSINESS PLAN

- The Company is looking to utilize the funds through the IPO to expand a new 500 workstation and technology support center in Gurugram. This will utilize about 35-40% of the IPO proceeds for the same and help increase revenues over the next 12 months

- The Company is looking to focus its energies on higher margins business areas like CRM, Application development and integration services as well as the development of Insurance tech platforms for markets in India as well as outside India.
- The Company is looking to help build IT Infra for companies to start in Gurgaon.
- Companies are always looking at customer acquisition as the key driver for the business and Enser is going to focus on the same going forward.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Background of Promoters

Mrs. Gayatri Rajnish Sarna

Ms. Gayatri Sarna, Whole Time Director of the company, graduated with a Bachelor of Arts from University of Bombay, Diploma in Business Administration from Welingkar Institute of Management. She heads the HR Functions entailing Planning & Talent Acquisition HR Policies & Procedures Performance Management, Talent Management & Organizational Development Training & Development Employee Engagement.

Ms. Gayatri Sarna, having wide experience of around 26 years, has worked with organization like GTL Limited managing the full life cycle of HR Operations in 23+ states Pan India Manpower, Managing HR Operations in 10+ countries as Senior Manager HR, Handling Resource Management for Telecom segment as Manager- PMO. She specializes in the field of Talent Acquisition, Leadership Hiring and Succession Management, Employee Training and Development.

Mrs. Sindhu Saseedharan Nair

Ms. Sindhu Saseedharan Nair possesses B. Tech in Civil from University of Mumbai, M. Tech in Structures from University of Mumbai, Bachelor of Law from University of Mumbai. She also did Management Education Programme from Indian Institute of Management, Ahmedabad. Currently, she is a General Manager-Designs at Tata Housing Development and was Chief Engineering Manager with Larsen & Toubro, Deputy General Manager with Mahindra Life space Developers, and Senior Structural Engineer with Black & Veatch.

Ms. Sindhu Saseedharan Nair is having rich experience of around 20+ years in Infrastructure Sector and has expertise in Design Management, Cross functional co-ordination, Sustainable built environment, Feasibility studies, Commercial Management, Leadership and Teamwork management. She is a Chartered Civil engineer and member of various institutions, involved in improving team performance through mentoring and promoting innovation.


OUR PROMOTERS



The Promoter of our Company is:

S. No.	Name	Category	Shareholding
1.	Mr. Rajnish Omprakash Sarna	Individual Promoter	36,06,000
2.	Mr. Harihara Subramanian Iyer	Individual Promoter	21,66,004
3.	Mrs. Gayatri Rajnish Sarna	Individual Promoter	601
4.	Mrs. Sindhu Saseedharan Nair	Individual Promoter	601

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page {} of this Draft Prospectus

Brief profile of our Individual Promoters is as under:

	<p>Mr. Rajnish Omprakash Sarna aged 60 years, Managing Director and the Founder of the Company. He has been appointed as Managing Director of the Company for 5 years w.e.f. 12/09/2023.</p> <p>He holds a degree of Bachelor of Commerce from University of Bombay. He holds a certificate in Customer Relationship Management from Indian Institute of Management, Bangalore and Certificate in Improving your business through a Culture of Health from Harvard Business School.</p> <p>He excels in strategy, management, and team leadership, having successfully built and scaled businesses in Information Technology Enabled tools and Customer Interaction Management. It is his vision, passion, zeal and indefatigable energy which has been instrumental in bringing Private Sector initiative into public domain. He has over 35 years of experience in conceiving and developing Projects, primarily in Information Technology/ Information technology Enabled sector in India. He began his career by working with reputed companies such as Modi Xerox Limited, GTL Limited, I2I Enterprise and Spanco Telesystems as Senior Vice President in the latter prior to setting up his own company in Mumbai.</p>
Name	Mr. Rajnish Omprakash Sarna
Date of Birth	August 24, 1963
Age	60 Years
Qualification	Bachelor of Commerce from University of Bombay, Customer Relationship Management from Indian Institute of Management, Bangalore and Certificate in Improving your business through a Culture of Health from Harvard Business School.
Personal Address	Flat -104 Shagun, Plot 5, Sector 44, Nerul, Navi Mumbai, Maharashtra – 400706, Navi Mumbai, Thane, Maharashtra, 400615
Permanent Account Number	AYDPS0150Q

Directorship & Other Ventures	<ul style="list-style-type: none"> • Glacier Jewellery Private Limited (Strike off) • Apokto Private Limited • Banja Hero E Talent LLP
	<p>Mr. Harihara Subramanian Iyer, aged 45 years, is the Director of the Company. He has been appointed as Whole time Director on 12/09/2023. He holds a Degree in Bachelor of Commerce from University of Bombay. He has over 23+ years of rich and varied experience in conceiving and setting up first-of-its kind path breaking Information Technology/Information Technology Enabled projects.</p> <p>His experience in various sectors, administrative ability, drive, devotion, and skill in organization saw the evolution of all the projects and his attention to detail all the qualities that ensure that each project that ENSER undertakes is implemented smoothly and professionally.</p>
Name	Mr. Harihara Subramanian Iyer
Date of Birth	July 14, 1978
Age	45 Years
Qualification	Bachelor of Commerce from University of Bombay, Certificate in Customer Relationship
Personal Address	2501, Mahavir Universe Phoenix, LBS Marg, Opposite Jain Temple, Bhandup West, Mumbai, Maharashtra – 400078
Permanent Account Number	AAMPI9759G
Directorship & Other Ventures	<ul style="list-style-type: none"> • Glacier Jewellery Private Limited (Strike off) • Ola Online Garage Services LLP
	<p>Ms. Gayatri Sarna, Whole Time Director of the company, graduated with a Bachelor of Arts from University of Bombay, Diploma in Business Administration from Welingkar Institute of Management. She heads the HR Functions entailing Planning & Talent Acquisition HR Policies & Procedures Performance Management, Talent Management & Organizational Development Training & Development Employee Engagement.</p> <p>Ms. Gayatri Sarna, having wide experience of around 26 years, has worked with organization like GTL Limited managing the full life cycle of HR Operations in 23+ states Pan India Manpower, Managing HR Operations in 10+ countries as Senior Manager HR, Handling Resource Management for Telecom segment as Manager- PMO. She specializes in the field of</p>

	Talent Acquisition, Leadership Hiring and Succession Management, Employee Training and Development.
Name	Mrs. Gayatri Rajnish Sarna
Date of Birth	July 08, 1973
Age	50 Years
Qualification	Bachelor of Arts (Economics) from University of Bombay, Diploma Certificate in Business Administration
Personal Address	Flat -104 Shagun, Plot 5, Near Petrol Pump Sector 44, Nerul, Navi Mumbai, Maharashtra – 400615
Permanent Account Number	BBEPS4467F
Directorship & Other Ventures	<ul style="list-style-type: none"> Ola Online Garage Services LLP
	<p>Ms. Sindhu Saseedharan Nair possesses B. Tech in Civil from University of Mumbai, M. Tech in Structures from University of Mumbai, Bachelor of Law from University of Mumbai. She also did Management Education Programme from Indian Institute of Management, Ahmedabad. Currently, she is a General Manager-Designs at Tata Housing Development and was Chief Engineering Manager with Larsen & Toubro, Deputy General Manager with Mahindra Life space Developers, and Senior Structural Engineer with Black & Veatch.</p> <p>Ms. Sindhu Saseedharan Nair is having rich experience of around 20+ years in Infrastructure Sector and has expertise in Design Management, Cross functional co-ordination, Sustainable built environment, Feasibility studies, Commercial Management, Leadership and Teamwork management. She is a Chartered Civil engineer and member of various institutions, involved in improving team performance through mentoring and promoting innovation.</p>
Name	Mrs. Sindhu Saseedharan Nair
Date of Birth	December 01, 1978
Age	45 Years
Qualification	Bachelor of Engineering from University of Bombay
Personal Address	A 502, Mahavir Universe, LBS Marg, Bhandup (W), Mumbai, Maharashtra - 400078
Permanent Account Number	ADQPN3957J
Directorship & Other Ventures	Nil

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our board of directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Mr. Rajnish Omprakash Sarna	Ms. Gayatri Sarna	Spouse
Mr. Harihara Subramanian Iyer	Ms. Sindhu Saseedharan Nair	Spouse
Ms. Gayatri Sarna	Mr. Rajnish Omprakash Sarna	Spouse
Ms. Sindhu Saseedharan Nair	Mr. Harihara Subramanian Iyer	Spouse

INTEREST OF PROMOTERS

Interest as member of Our Company

Our Promoters hold 57,73,206 Equity Shares aggregating to 90.12 % of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Rajnish Omprakash Sarna given in the chapter titled “*Our Management*” beginning on page number 169 of this Draft Prospectus, our Promoters hold no other interest in our Company.

Change in the control of Our Company

At the time of incorporation of Company there were 3 Promoters (Mr. Varun Dua, Mr. Rajnish Omprakash Sarna and Mr. Harihara Subramanian Iyer) of Company. Thereafter on 10.04.2017 Mr. Varun Dua transferred his shares to Mr. Rajnish Omprakash Sarna and Mr. Harihara Subramanian Iyer. Now, Company is under the control of 4 Promoters (Mr. Rajnish Omprakash Sarna, Mr. Harihara Subramanian Iyer, Mrs. Gayatri Rajnish Sarna and Mrs. Sindhu Saseedharan Nair).

OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	Gayatri Sarna
Spouse	Rajnish Omprakash Sarna
Son	Yash Sarna
Daughter	NIL
Father	Late K Venkatraman
Mother	Late Sulochana Venkatraman
Brother	Venkatraman Krishnan
Sister	NIL
Spouse Father	Late Omprakash Sarna
Spouse Mother	Late Nirmal Sarna
Spouse Brother's	Nitin Sarna
Spouse Sister's	Shalini Seth

Promoters	SINDHU SASEEDHARAN NAIR
Spouse	Harihara Subramanian Iyer
Son	Siddhanth Iyer
Daughter	NIL
Father	K. N. Saseedharan Nair
Mother	Santhakumari Nair
Brother	Sunil Nair
Sister	NIL
Spouse Father	Late G Suriyakanthan
Spouse Mother	Late S. Gomathi
Spouse Brother's	NIL
Spouse Sister's	NIL

MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021 (BASED ON RESTATED FINANCIAL STATEMENTS)

Revenues

♦ Total Income

Total Income for the Financial Year 2021-22 stood at Rs. 1686.47 Lakhs. Whereas for the Financial Year 2020-21, it stood at 961.30 Lakhs, representing increase of 75.44%. There has been an increase in income as compared to the last financial year as the Company earned a significant revenue in F.Y. 2022 due to incremental revenue from existing customers. The company acquired infrastructure which helped in creating new markets. Additionally, multiple new customers were acquired and the company was successful in diversification in other related IT Technology Infrastructure. All these factors contributed to the increased revenue.